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DESIGNATING ELEVEN CARIBBEAN BASIN COUNTRIES AS BENEFICIARIES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTICE OF HIS INTENTION TO DESIGNATE ELEVEN CARIBBEAN BASIN COUNTRIES AND ENTITIES AS BENEFICIARIES FOR THE PURPOSE OF GRANTING DUTY-FREE TREATMENT, PURSUANT TO PUB. L. 98-67, SEC. 212(a)(1)(A)

JANUARY 23, 1984.—Referred to the Committee on Ways and Means and ordered to be printed

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THE WHITE HOUSE,
Washington, November 30, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 212 of the Caribbean Basin Economic Recovery Act (CBERA), I wish to inform you of my intent to designate the following eleven Caribbean Basin countries and entities as beneficiaries of the trade-liberalizing measures provided for in this Act: Barbados, Costa Rica, Dominica, Dominican Republic, Jamaica, Panama, Netherlands Antilles, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and Saint Christopher-Nevis. Designation will entitle the products of said countries, except for products excluded statutorily to duty-free treatment for a period beginning on January 1, 1984 and ending on September 30, 1995. As beneficiaries, these eleven also have the opportunity to become eligible for the convention expense tax deduction under Section 274(h) of the Internal Revenue Code of 1954, by entering into an exchange of information agreement with the United States on tax matters.

Designation is an important step for these countries in their battle to revitalize and rebuild their weakened economies. Designation is also significant because it is further tangible evidence of the constructive cooperation between the United States and the peoples and governments of the Caribbean Basin.

My decision to designate the group of eleven flows out of discussions held between this Administration and potential beneficiary countries and entities regarding the designation criteria set forth in Section 212 of the CBERA. Our discussions with the eleven began rapidly and were concluded last month. However, active and constructive discussions are underway with other potential beneficiaries, and I hope to designate a number of additional countries in the near future.

The eleven countries have demonstrated to my satisfaction that their laws, practices and policies are in conformity with the designation criteria of the CBERA. The governments of these countries and entities have communicated on these matters by letter with Secretary of State Shultz and Ambassador Brock and in so doing have indicated their desire to be designated as beneficiaries (copies of the letters are attached). On the basis of the statements and assurances in these letters, and taking into account information developed by United States Embassies and through other sources, I have concluded that the objectives of the Administration and the Congress with respect to the statutory designation criteria of the CBERA have been met.

I am mindful that under Section 213(B)(2) of the CBERA, I retain the authority to suspend or withdraw CBERA benefits from any designated beneficiary country if a beneficiary's laws, policies or practices are no longer in conformity with the designation criteria. The United States will keep abreast of developments in the beneficiary countries and entities which are pertinent to the designation criteria.

This Administration looks forward to working closely with its fellow governments in the Caribbean Basin and with the private sectors of the United States and the Basin countries to ensure that the wide-ranging opportunities opened by the CBERA are fully utilized.

Sincerely,

RONALD REAGAN.

[Official English Translation]

SANTO DOMINGO, THE DOMINICAN REPUBLIC,
November 11, 1983.

Hon. GEORGE P. SHULTZ,
Secretary of State of the United States of America.

Ambassador WILLIAM E. BROCK,
Trade Representative of the United States of America.

DISTINGUISHED SECRETARY SHULTZ AND DISTINGUISHED AMBASSADOR BROCK: It is my pleasure to submit, through your good offices, the enclosed document for the consideration of your Honorable Government, so that His Excellency, the President of the United States, Mr. Ronald Reagan, will deem it appropriate to designate the Dominican Republic as a beneficiary country of the Caribbean Basin Recovery Act.

Enclosed is an official English translation of this document, which has been approved by the Government of the Dominican Republic.

Thanking you in advance for your attention I take this opportunity to express again to you my highest regard.

Sincerely,

DR. JOSE AUGUSTO VEGA IMBERT,
Secretary of State of Exterior Relations.

[Enclosure to the letter of Nov. 11, 1983 from His Excellency José Augusto Vega Imbert, Secretary of State of Exterior Relations of the Dominican Republic to the Honorable George P. Schultz, Secretary of State of the United States and to Ambassador William E. Brock, United States Trade Representative]

For the following reasons the Government of the Dominican Republic believes that it has satisfied the criteria listed in Section 212(B) of the Caribbean Basin Economic Recovery Act.

(1) In accordance with its Constitution, the Dominican Republic is a country with a republican, democratic and representative civil government.

(2) The Dominican Republic does not have a policy of expropriation, nationalization, or any other form of unilateral possession of property. Dominican law allows nationalizations in the public interest. However, in consequence of the affirmation of property rights in the Constitution, and according to its requirements, nationalization can not legally take place without previous payment of a fair value of the property as determined by an appropriate tribunal. We are not aware of any complaints concerning nationalization involving United States citizens or companies which can be included under the provisions of Section 212(C)(2) of the Act. Never-

theless, the Dominican Government will consider any complaint which might be presented, and, to this end, the Embassy of the United States in our country should inform us at the first opportunity if there are nay pending cases.

(3) As for arbitral awards in favor of United States citizens or entities, there are no instances in which our government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards.

(4) The Government of the Dominican Republic does not concede preferential treatment to the products of developed countries to the detriment of its trade with the United States.

(5) No government-owned entity in the Dominican Republic engages or will engage in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent.

(6) The Dominican Republic is one of the countries which, through its police and security forces, cooperates most effectively with the United States in the prevention and prosecution of the crimes related to the illegal traffic of narcotics and other contolled substances. This cooperation will be continued.

(7) An extradition treaty between the United States and the Dominican Republic has existed since 1909 and entered into force on August 2, 1910. It has been applied normally and without inconvenience for both of the contracting parties.

For the following reasons the Government of the Dominican Republic believes that it is observing policies and practices which are in conformity with the designation criteria listed in Section 212(C) of the Caribbean Basin Econmic Recovery Act.

(1) The Dominican Republic wants to be designated as a Caribbean Basin Initiative (C.B.I.) beneficiary, and this letter constitutes proof of this desire.

(2) Our country, in view of its economic conditions, the living standards of its people, and other economic and social factors expressed in the principal statistical indicators of various international and national sources recognized by the Government of the United States, is a developing country which needs the benefits of the CBI.

(3) The Dominican Republic maintains an open nondiscriminatory trading regime which does not unduly restrict trade with the United States. Limitations relative to market access for foreign products are not discriminatory against any country, and represent a temporary and limited ban on the importation of certain products due to a severe balance of payments situation. The total value of these bans does not exceed 8 percent of our total imports, and their duration, which was recently extended for four months, was originally one year. When the bans expired in August 1983 and were extended until December, the list of prohibited imports was reduced. The several exclusions were food products. Recently, in view of the persistence of balance of payments problems due to the lack of improvement in the prices of our traditional exports, other measures have been taken. In principle, these will remain in force until 1984. The Government of the Dominican Republic will notify the United States Government on a reciprocal basis with regard to the introduction, intensification, extension, and modification of any

trade measure taken in response to balance of payments problems or to protect infant industries. Whenever, feasible, the Government of the Dominican Republic will inform the United States Government of a time period for eventual removal of such measures as quickly as economically practicable. The Government of the Dominican Republic agrees to implement such measures with great caution and not to maintain such measures any longer than is necessary. The Dominican Republic also wishes to assure the United States that it will not restrict equitable and reasonable market access to its basic commodity resources.

(4) The Dominican Republic signed the General Agreement on Tariffs and Trade (GATT) in 1950. Since that date there have been no known instances of violation of GATT regulations.

Also, in respect to the multifiber agreement, our country has signed a bilateral agreement with the United States, the negotiation and implementation of which have been favorable to both sides.

(5) The Government of the Dominican Republic will exercise caution in the development and implementation of policies to promote exports in order to avoid conflict with United States countervailing duty laws, and will continue its efforts to make such measures compatible with these laws.

The Government of the Dominican Republic agrees to consult with the United States, on request, if the United States believes that any trade promotion practice of the Dominican Republic has a trade distorting effect.

The Government of the Dominican Republic, reserving the right to introduce export promotion measures, agrees to avoid the introduction or intensification of measures which could be subject to countervailing duties.

In the view of the Government of the Dominican Republic, there are no mechanisms in the Dominican Republic which can be interpreted as investment performance requirements which distort trade. However, it has been agreed that in the event there should be any future questions in this regard, United States and Dominican representatives will hold conversations to study and evaluate such requirements, with a view toward the elimination of practices agreed to be trade distorting.

(6) The Dominican Government recently sought observer status in CARICOM. However, since unanimous approval is needed, one country, for political reasons, barred this access through which the Dominican Republic had sought to participate in the system of regional integration. Nevertheless, we maintain bilateral trade agreements with the Republic of Haiti and Costa Rica and agreements with the Central Banks of Costa Rica and El Salvador. As a result of the visit of His Excellency Edward Seaga, Prime Minister of Jamaica (September 6–8, 1983), negotiations for a package of agreements on trade, reciprocal credit, tourism, air and maritime transport, and cultural exchange have been initiated. These measures are directed towards the strengthening and revitalization of interregional trade.

(7) The Dominican Government has taken severe austerity measures to confront the very difficult international situation caused by the worst deterioration of its terms of trade in the last fifty years.

The Government has reduced the salaries of its employees while increasing their working hours. It has established new taxes while reducing expenditures, and has increased interest rates to make them competitive with international rates. All of this has brought about, in the first year of the government, a substantial reduction in the public sector deficit and in the current account deficit of the balance of payments. With regard to the external sector of the economy, the Dominican authorities reached a three year credit agreement with the International Monetary Fund to make maximum use of the resources of that institution. Government priorities in promoting development coincide, both in timing and substance, with the new opportunities offered by the CBI, since these priorities seek to accelerate growth of the industrial free zones, tourism, agro-industry, mining, and foreign investment in general, precisely the areas which can best take advantage of CBI benefits. The Government anticipated the passage of the CBI by taking measures to stimulate the free zones, presenting to the National Congress, one year ago, amendments to make the free zone law more dynamic. These amendments are now law. In addition, the government announced a policy of sponsoring new industrial free zones totally owned by the national or foreign investors who would conceive and promote them. The resources of the Central Bank of the Dominican Republic are available for soft loans for the construction of the infrastructure of these new industrial free zones. These resources are equally available to provide soft financing for new factories established in free zones. Tourism, which would benefit from the CBI through the tax treatment of conventions, has been stimulated through a decree which practically eliminates the requirement of presidential approval for acquisition of land in tourism areas by foreigners, and the currency exchange policy has been modified so as to favor foreign tourists, including their purchasing of property in the country. Agro-industry, which will benefit from the CBI through access to the U.S. market, has been stimulated by the agro-industry law and regulations and by the government's declaration of its policy of promoting joint ventures such as have already happened in cases such as pineapples, cotton, and African palms, in which the state is participating either by renting land or as a shareholder.

As for mining, after 12 years a new decree has permitted private industry, foreign or domestic, to request permission to explore and exploit mineral and petroleum resources.

In regard to legal treatment of foreign investment, the Government asked the American Chamber of Commerce to suggest needed amendments to the law. These were converted to a bill sent to the Congress by the President and were approved.

In addition, the President has created, by decree, a Foreign Investment Promotion Commission made up of representatives of both the public and private sectors.

(8) The Dominican working class enjoys satisfactory working conditions. In this respect, we can say that the Dominican Republic maintains a high level in comparison to other countries at the same level of development.

The Government of the Dominican Republic is aware that our labor law can be improved and made to meet requirements which would make it more efficient, and will make the necessary efforts with the Honorable National Congress to speed up consideration of the draft labor laws which have been submitted for this purpose by the Government of National Concentration. These efforts will include insuring the protection of employees from dismissal because of union organizing activities.

It is true, however, that there are some long-standing deficiencies involving Dominican and foreign workers engaged in cutting sugar cane. Nevertheless, it is a recognized fact that, since taking office in August 1982, the present Dominican administration has initiated signficant programs to improve work conditions, in all respects, of workers in the sugar industry, among which the following can be listed:

(a) In regard to the importation and use of manual labor from the Republic of Haiti, an annual contract between the State Sugar Council (CEA) and the Government of Haiti was signed, including the following: 1. Selection of the agricultural workers by Haitian authorities. 2. Reception and individual contracting in the frontier city of Jimaní in observation of all the legal procedures of immigration and relevant health controls. 3. Transportation in private buses contracted on the agricultural laborers' account, and distribution of the workers to the sugar mills. 4. Provision of free food during the entire process of reception and transportation and during the days previous to the beginning of work on the cane fields. 5. Situation, transportation and repatriation to their homes of all agricultural laborers with all the conveniences and provisions mentioned above, including, in addition, the equal exchange (One D.R. Peso equals One U.S. Dollar) of savings from the wages of said workers and an additional U.S. Dollars 55 as a gratuity. During the present 1982–83 fiscal year, 18,885 of the 19,000 contracted agricultural workers were repatriated, that is, 99.2 percent—the rest are pending repatriation because of illness or other reasons.

(b) Beginning with the next harvest, officials of the State Sugar Council will take steps, with the agreement of Haitian workers on their arrival at the border, to choose the destination of the workers and thus avoid frequent migrations from one sugar mill to another, which cause serious operating problems.

The National Police Forces, with the establishment of new controls, will see to it that the workers who wish to leave their work in the mills can do so without any impediments, in particular those that may come from private security forces. Such workers may be subject to deportation but they have not been nor will they be forced to remain in the fields.

(c) With the objective of taking concrete steps to improve living conditions in the approximately 250 sugar camps of the CEA, a program of environmental improvement was completed at the end of last year that included 728 new latrines, the painting of some 7,000 houses, the reconstruction of a residential camp and of 26 infirmaries, and the provision of drinking water to some 40 camps. Further improvements will be made during 1984 to provide running water, cooking facilities, latrines, showers, housing and medical care.

(d) Concerning nutrition, food and the increase of buying power of CEA workers, a program of sales of staple commodities at controlled prices has been implemented. In the same way, a program of cultivating basic food products on 23,000 tareas (3574 acres) of CEA land has been initiated. These products are grown and sold at far below market prices.

(e) With the purpose of improving the working conditions and the protection of the worker in all his activities, the acquisition of industrial safety equipment valued at more than DR Pesos 1,000,000 has been arranged, as well as the purchase of 8 new equipped ambulances worth more than DR Pesos 300,000.

(f) All of the actions mentioned above, undertaken in the brief period of one year, will be strengthened and systematized based upon the results to be obtained from a "Socioeconomic Plan" that is currently being elaborated by a national institution at a cost of DR Pesos 400,000. This Plan includes a diagnosis and detailed program of projects to be undertaken to improve the quality of life of the worker and of all the inhabitants of the sugar camps. In addition, the State Sugar Council has created a department of social affairs which is working hard to improve living conditions in the sugar camps. This department will receive and implement the recommendations of the plan which the previously mentioned organization is preparing.

(g) It should be noted, finally, that these actions programmed and undertaken for the betterment of the socioeconomic conditions of the cane workers have been accompanied by an attitude of openness to dialogue with the representatives of labor and the workers within a climate of high respect and consideration for the human dignity of the worker. In this way, the current management has dedicated all the hours asked by the labor representatives to listen to their petitions and to look for solutions to them within the framework imposed by the tight fiscal constraints of the firm.

In their work, the cane cutters act with complete autonomy of scheduling. They begin their work very early to avoid the hottest hours of the day, stay in the fields to prepare their meals, and later return to work in a cooler time of the afternoon. They are not obliged to stay at their workplace for the entire day.

The provision of the current contract calling for a break during the day and Sunday off is being honored and will be more rigorously enforced by sugar mill supervisors. Since for reasons of efficiency it is desirable to keep the grinding going seven days a week, the contract may be changed to very the weekly day of rest. The day of rest will be set by mutual agreemnt of all parties.

Also, it should be pointed out that many Dominican plantations offer extra incentives to the cutters in order to accumulate enough cane over the weekend to ensure continuity of grinding during the first days of the following week, and thus to substitute for the deficit of cut cane arising from the absenteeism which occurs on Mondays. This absenteeism is also experienced when workers accumulate some savings and abandon cane cutting. This and other facts show that no policy of forced labor exists.

The cane cutter is able to earn the minimum wage of DR pesos 3.50 in an eight hour shift during his work day. Statistics of the Dominican sugar companies show that even in the case of the worst cutter, a harvest of at least 1.5 tons per 8 hour shift is attainable, which at a value of DR pesos 2.33 per ton, represents at the very least the minimum wage indicated by law. It is usual for effective cane cutters to be able to cut 2 or 3 tons in each shift. Wages are paid biweekly. Any payments will be withheld only by agreement between an employer and a contracted worker.

Regarding the weighing of cane, the harvest boss is always present during the weighing, and one member of each team of cutters accompanies the cart to the weighing station to oversee the accuracy of the operation. In the next harvest, the government will provide inspectors, helped by worker representatives, who will oversee the cane weighing process.

As for the system of payment, this is being restructured to guarantee a system which is efficient and direct to the worker. Finally, our labor legislation sanctions labor freedom, or the right of workers to form unions, as well as the rights of unions to conclude collective bargaining agreements on working conditions with employers. These rights are also applicable in the industrial free trade zones.

(9) The Government of the Dominican Republic states that in accordance with its laws it provides adequate and effective means for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patents, tradmarks, and copyrights. In order to strengthen this protection, the Government of the Dominican Republic additionally declares the following:

(a) The Government of the Dominican Republic will give full assistance to U.S. publishers and their foreign subsidiaries and licensees in bringing criminal actions against persons and entities in the Dominican Republic who are reprinting or copying the publishers' works without permission of such publishers, and causing or contributing to same in accordance with Dominican law and the Universal Copyright Convention (UCC) done at Paris July 24, 1971. The Government of the Dominican Republic believes that the current Dominican copyright statute, the Convention on Literary and Artistic Copyrights signed at Buenos Aires August 11, 1910, and the UCC currently give United States publishers standing and right to successfully (upon proof of piracy) bring criminal actions against such reprinting or copying of books authored by nationals of, or first published in, UCC countries whether or not the books and publishers' contracts have been registered, and including books first published before the date of accession to the UCC by the Dominican Republic. The Government of the Dominican Republic will support pretrial seizure of pirated books and plates based on a complaint filed with the Attorney General or other competent prosecuting authority. Also, the Government of the Dominican Republic believes that in accordance with the UCC, no bonding or other procedural conditions should be imposed on foreign copyright holders which are not equally applicable to Dominican nationals, or which hinder prompt and fair prosecution.

(b) The Government of the Dominican Republic states that, in order to fulfill Article I of the UCC, it plans to introduce in the next legisaltive session a copyright bill which is currently being drafted and will support the passage of the bill in the Congress. Said bill will make book piracy unlawful and subject to both civil and criminal prosecution. The draft law will include the protections specified in the preceeding paragraph and provide severe monetary and penal sanctions, as well as provisions allowing the judge to restrain the continuation of piracy during the trial. The draft law will not require any arbitration or conciliation proceeding before prompt and full prosecution.

(c) The Government of the Dominican Republic is taking measures to prevent the export of copies of pirated works.

(d) The Government of the Dominican Republic, upon request of the United States and without prejudice to enforcement procedures mentioned above, will promptly provide information concerning reports of piracy.

(10) It is the policy of the Government of the Dominican Republic to support strongly the United States owners of copyrighted materials in protecting against broadcast of such materials by stations in the Dominican Republic without the owners' express consent. The Government of the Dominican Republic already has undertaken actions with the aim of ensuring that Dominican broadcasters obtain permission of the copyright owners for use of their copyrighted materials. For example, the Government of the Dominican Republic is cooperating with the United States Government in arranging negotiations among the appropriate parties in order to expeditously reach agreements providing such consent. The Government of the Dominican Republic has already held discussions with Dominican cable TV companies, which have expressed their willingness to negotiate agreements. Meetings between the latter and representatives of the United States Government were also arranged by the Government of the Dominican Republic and the process of negotiations is being expedited. In the event that there are complaints that Dominican firms are broadcasting without having obtained the necessary consent of the United States copyright holders the Government of the Dominican Republic will act to ensure compliance and if the compliance does not occur, the Government of the Dominican Republic will exercise its authority under the Dominican Constitution and legal system to see to it that such broadcasting does not continue.

(11) The Dominican Republic is prepared to cooperate fully with the United States in the implementation of the Caribbean Basin Economic Recovery Act.

The Government of the Dominican Republic understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. The Dominican Republic agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the United States law. The Government of the Dominican Republic would be prepared to consult with the United States Government upon request concerning such changes.

NEDERLANDSE ANTILLEN.

No. 7866/JAZ.

The Honorable GEORGE P. SHULTZ,
Secretary of State of the United States of America.

Ambassador WILLIAM E. BROCK, U.S. SPECIAL TRADE REPRESENTATIVE.

EXCELLENCY: Anticipating positive results for the economic revitalization of the Netherlands Antilles and the Caribbean region as a whole in view of the possibilities created under the Caribbean Basin Economic Recovery Act, it is my pleasure to communicate to you my country's desire to be designated as a "beneficiary country" under subtitle A of this act.

The stipulations under Section 212, b. and c. will be elaborated in detail in the Annex to this letter. I believe the Netherlands Antilles satisfies the designation criteria.

I avail myself of this opportunity to assure you of my highest esteem and consideration.

D. F. MARTINA,
Prime Minister of the Netherlands Antilles.

For the following reasons, the Government of the Netherlands Antilles believes that it has satisfied the criteria of section 212(B) of the Caribbean Basin Economy Recovery Act.

B. 1. The Netherlands Antilles is not a communist Country. We have a democratically elected government. Suffrage is universal. Our economic system is based on free enterprise.

2. Art. 99 of the Constitution of the Netherlands Antilles states:

> (1) No one can be dispossessed, if it has not been established by law that the public interest requires the exportation, compensation having previously been received or assured. This article is a guarantee against unjust expropriation of any kind of property.
>
> Rules applicable to the expropriation of real estate have been further detailed in the law.

There are no current disputes involving us citizens and the government of Netherlands Antilles arising out of the nationalization of property.

3. The Convention for the Settlement of Investment Desputes of March 18, 1965, Washington, has been binding upon the Netherlands Antilles since May 22, 1970.

There are no instances in which our government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards in favor of U.S. citizens or companies.

4. The Netherlands Antilles import policy is liberal and based on the G.A.T.T. principles of non discrimination and most favoured nation treatment. As as result of this the Netherlands Antilles has a free trading system without any kind of preferential treatment to products of a developed country.

5. The Government-owned Television Company does and will not not engage in the broadcast of copy-righted material, including films or television material, belonging to United States copyright owners without their express consent.

6. The Netherlands Antilles does take adequate steps to cooperate with the United States to prevent narcotic drugs and other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812) produced, processed or transported in the Netherlands Antilles from entering the United States unlawfully. Further information can be provided by the Attorney General of the Netherlands Antilles. The U.S. Government has stationed two DEA-officers in the U.S. Consulate General in Curacao.

7. A new treaty regarding extradition of citizens became operative on September 16, 1983 between the United States and the Kingdom of the Netherlands. This treaty is also operative for the Netherlands Antilles.

C. For the following reasons, the government of the Netherlands Antilles believes that it is observing policies and practices which are in conformity with the designation criteria listed in section 212(C) of the act.

2. The Antillean economy is very small, very open and has a narrow resource base.

Practically everything consumed or invested has to be imported. The market sector is characterized by the vulnerability of its leading sectors (oil refinery and transshipment, international finance sector c.q. activities, tourism, ship-repair) to current international economic developments such as the recession in the world economy which can be expected to recover only slowly, and the structural decline in oil production and consumption. Nevertheless, Governmental policy aims at facilitating and stimulating the adaptation process of the Antillean economy to international economic tides as to realize objectives referring to economic growth, employment and external balance.

Economic growth in the Netherlands Antilles has been declining after 1979. Positive growth existed up till 1982. National income probably did rise in real terms in 1982.

At the moment it is hard to say what the consequences shall be of falling oil prices for Antillean refineries and oil transshipment facilities.

Finally the future of the international financial activities c.q. sector is uncertain. As a result of these developments growth expectations for the Netherlands Antilles are pessimistic. At the end of 1982, beginning 1983 several adverse developments affected the Antilles.

Ship repair activity declined substantially. The serious economic difficulties in Venezuela, possibly leading to a devaluation of the bolivar, have affected both tourism and trade in a negative way. Most recent figures show a growth of unemployment on Curacao, accounting for over 60 percent of the total population of the Netherlands Antilles (The unemployment rate in Curacao alone is over 20% while over half of this percentage concerns people younger than 30 years. As the economic growth prospects look bleak, so do the prospects for increased employment. Being a small economy dependent on international developments there is little room for economic policy.

3. The free trading system of the Netherlands Antilles based on the principles of G.A.T.T. guarantees the U.S. an equitable access

to our markets and basic commodity resources. This is proven by an increase of almost 50% in U.S. exports to the Netherlands Antilles in the period of 1979-1981:

1979: 434 mln. U.S. dollars.
1980: 484 mln. U.S. dollars.
1981: 648 mln. U.S. dollars.

4. The Netherlands Antilles as part of the Kingdom of the Netherlands is member of G.A.T.T. since 22 August 1967 and follows therefore the accepted rules of international trade provided for under the G.A.T.T.

5. The Government of the Netherlands Antilles will keep under review its fiscal incentives related to exports, with the objective of avoiding distortions in its international trade. The Government of the Netherlands Antilles agrees to consult with the United States government if the U.S. believes that any trade promotion practices of the government of the Netherlands Antilles will also avoid the use of any performance requirements which would distort trade with the United States.

6. The trade policy of the Netherlands Antilles is contributing to the revitalization of the region is several ways. The main points are:

The open and liberal import policy without currency restrictions offers the best business opportunities for exporting firms in the region.

In last years we received an increasing number of representatives of exporting enterprises and export promotion organisations. Among them were organisations from Jamaica, Dom. Republic, Puerto Rico (every year), Costa Rica etc.

The government is taking initiatives to establish bilateral economic agreements with some selected countries in which special attention is given to develop trade. With the Dominican Republic negotiations on such agreement already started. This policy is focused on abolishing trade barriers between Caribbean countries.

In several regional fora the Antillean Government brought forward that Caribbean trade cannot develop in the right direction when individual countries or groups of countries are taking protective measures against products of other Caribbean countries. The Antillean government will also make in the future this point a topic in the foreign economic policy.

7. For strengthening and diversifying the economy of the Netherlands Antilles the following measures have been taken:

The public utility services are well developed and a large amount of money is reserved to maintain a high standard.

Existing industry is supported by the government in the field of export training, market research, mission etc.

Attracting new industries is stimulated by a package of incentives and by strengthening the acquisition offices abroad.

Recently the government was helping existing companies depressed by the world recession by guaranteeing loans for A. L. Drydock company.

In 1981 the Development Bank became operational to support local and foreign companies who will make new investments.

To expand trade facilities new container harbours are under construction in Aruba and Curacao, while free zone on both islands will expand.

Also the infrastructure for developing the Netherlands Antilles as an international center for trade is already in an advanced stage.

The Government furthermore gives attention to training people employment in the tourist sector and to promotion campaignes abroad, while f.e. an injection of 25 million Antillean guilders has been made available for the renovation of hotels in Curacao. For this year there will be no indexation of wages and salaries of the Central Governments personnel and its civil servants. In close collaboration with the different Island Governments and through consultation with both employers and labour organisations, the necessary synchronisation for the socio-economic policy is being sought.

8. Workers in the Netherlands Antilles are afforded reasonable workplace conditions according to measures of the Government taken to give effect to provisions of the Treaty (94) with the International Labour Organisation concerning the regulation of labour conditions with government contracts, 1949, co-appliance of which was registered for the Netherlands Antilles on 10 June 1955.

For the degree in which these conditions are met, we hereby refer to the reports that were published and transmitted to the I.L.O. for respectively the periods 1 July 1971–30 June 1973 and 1 July 1980–30 June 1982. Concerning the implementation of the Treaty no observations nor specific direct requests have been made.

Workers in the Netherlands Antilles also enjoy the right to organize and bargain collectively according to the measures of the Government taken to give effect to Treaty (87) of Freedom of Association and Protection of the Right to organize, Convention 1948, co-appliance of which was registered on 25 June 1951.

Concerning the degree to which this right is enjoyed, we hereby refer to the report which was presented at direct request of the I.L.O. for the period June 1970–June 1972.

The measures have been reported unchanged and therefore the same measures have been reported to the I.L.O., at request, for the period 1980–1982.

This report was treated in 1983, this year, and got full approval of the I.L.O. and also no observations nor direct request concerning the implementation have been received by the Netherlands Antilles Government.

9. Patents: U.S. citizens can have exclusive patent-rights in the Netherlands Antilles, if they have obtained this right from the Council for Patents in Rijswijk, Holland. The request can be made directly to the Council for Patents, through a proxy or through the National Bureau in Washington, which will transmit the request to the Council for Patents in Holland.

The right is given twenty years. It is only for the territory of the Netherlands and the Netherlands Antilles. The right can be enforced by law.

The Netherlands Antilles are a party to the following treaties:

The treaty of Paris for the Protection of Industrial property (1883);

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Convention of Strasbourg concerning international classification of patents (1971);

Convention concerning cooperation on patents, (P.C.T.-convention) Washington 1970.

TRADEMARK

U.S. citizens can register a trademark through a proxy, with the Bureau for Industrial property of the Netherlands Antilles.

The exclusive right will be given to the first one to use the trademark in the Kingdom of the Netherlands.

Under Netherlands Antilles law, registration is not compulsory. It is advisable, since through registration the assumption of first use is established, unless proven otherwise.

The validity is in principle for unlimited time, but has to be periodically revised.

COPYRIGHTS

Copy-rights exist automatically for creation in litterature, science or art, without any special formalities, and will exist for 50 years after the death of the maker.

Fotographic and cinematographic material for 50 years after first publication.

The Netherlands Antilles is a member of the Berner Convention for the protection of works of litterature and art.

10. Copy-rights are enforcible under Netherlands Antilles civil and criminal law. Legal action can only be taken upon complaint of the creator or a person who is authorized to protect the copyrights.

Should violations occur, the NAG will prevent the broadcasting (including cable transmission) of material belonging to U.S. copyright holders without their express consent having been obtained by applying appropriate sanctions. This will be accomplished by enforcement of the applicable law or by administrative means, such as license revocation for a pattern of violations, within the Government's authority. If it proves to be necessary, additional authority will be sought.

11. The Netherlands Antilles Government is prepared to cooperate with the United States in the admiration of the provisions of this title.

The Government of the Netherlands Antilles understands that the Caribbean Basin Economy Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. The Netherlands Antilles agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the U.S. law. The Government of the Netherlands Antilles would be prepared to consult with the USG upon request concerning such changes.

Federation of St. Christopher and Nevis,
St. Kitts, W.I., November 4, 1983.

Hon. William E. Brock,
U.S. Trade Representative, Office of the United States Trade Representative, Washington, D.C.

Hon. George P. Shultz,
Secretary of State, Department of State,
Washington D.C.

George Macfarland,
Charge D'Affaires, U.S. Embassy,
Antigua.

Dear Mr. Secretary and Mr. Ambassador, My Government understands that after reviewing my letter of October 5, 1983, the Government of the United States has a number of questions regarding the fulfillment of certain designation criterion of the Caribbean Basin Economic Recovery Act by St. Christopher and Nevis. We wish to make the following additions to our previous letter in the hope of clarifying those issues.

SECTION 212B(2) ADDITION

Intellectual property of any type, including property protected by patents and Trade Marks, is accorded the same protection against expropriation provided under the Constitution for other types of property. There are no disputes involving U.S. citizens and the Government of St. Christopher and Nevis arising out of the nationalization of property.

SECTION 212B(3) ADDITION

There are no instances in which our Government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards in favour of U.S. citizens or companies.

SECTION 212C(5) ADDITION

The Government of St. Christopher and Nevis will keep under review its fiscal incentives related to exports, with the objective of avoiding distortions in its international trade. The Government of St. Christopher and Nevis agrees to consult with the United States Government if the United States believes that any trade promotion practices of the Government of St. Christopher and Nevis have a trade-distorting effect. The Government of St. Christopher and Nevis will also avoid the use of any performance requirements which would distort trade with the United States.

SECTION 212C(9) ADDITION

The Government of St. Christopher and Nevis will provide adequate and effective protection of intellectual property rights for foreign nationals.

The Government of St. Christopher and Nevis understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. St. Christopher and Nevis agrees to notify the Unites States in the event of changes in any of the policies or practices discussed above might prove to be inconsistent with any of the designation criteria of the U.S. Law. The Government of St. Christopher and Nevis would be prepared to consult with the United States Government upon request concerning such changes.

Yours sincerely,

KENNEDY A. SIMMONDS,
Prime Minister and,
Minister of Foreign Affairs.

FEDERATION OF ST. CHRISTOPHER AND NEVIS,
St. Kitts, W.I., October 6, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the United States Trade Representative, Washington, D.C.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State,
Washington, D.C.

GEORGE MACFARLAND,
Charge D'Affaires, U.S. Embassy,
Antigua.

Secretary of State,
United States of America,

DEAR MR. AMBASSADOR, DEAR MR. SECRETARY: I would like to express my pleasure at the passage of the Caribbean Basin Economic Recovery Act. Saint Christopher and Nevis wishes to be designated as a beneficiary under the Act. As requested, the following letter discusses the criteria for designation as a beneficiary laid down in the Act as they apply to Saint Christopher and Nevis.

SECTION 212

(B)(1) Communist Country

Saint Christopher and Nevis is not a communist country.

(B)(2) Expropriation

Saint Christopher and Nevis has not expropriated or otherwise seized assets belonging to a United States Citizen or corporation. In any case of expropriation or nationalization, the private party, whether U.S. or not, would be protected by the Constitution and laws of Saint Christopher and Nevis. The Constitution and other laws provide that expropriation may only be undertaken for a public purpose and provide legal protection and compensation and access to the High Court of Justice and appellate courts to secure the payment of compensation. Section 8 of the Constitution of Saint Christopher and Nevis deals with the question of protection from deprivation of property and the text of this section is as follows:

Protection from deprivation of property

8.(1) No property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except for a public purpose and by or under the provisions of a law that prescribes the principles on which and manner in which compensation therefor is to be determined and given.

(2) Every person having an interest in or right over property that is compulsorily taken possession of or whose interest in or right over any property is compulsorily acquired shall have a right of direct access to the High Court for—

(a) the determination of his interest or right, the legality of the taking of possession or acquisition of the property, interest or right and the amount of any compensation to which he is entitled; and

(b) the purpose of enforcing his right to prompt payment of that compensation:

Provided that, if the legislature so provides in relation to any matter referred to in paragraph (a), the right of access shall be by way of appeal (exercisable as of right at the instance of the person having the interest in or right over the property) from a tribunal or authority, other than the High Court, having jurisdiction under any law to determine that matter.

(3) The Chief Justice may make rules with respect to the practice and procedure of the High Court or, subject to such provision as may have been made in that behalf by the legislature, with respect to the practice and procedure of any other tribunal or authority in relation to the jurisdiction conferred on the High Court by subsection (2) or exercisable by the other tribunal or authority for the purposes of that subsection (including rules with respect to the time within which applications or appeals to the High Court or applications to the other tribunal or authority may be brought).

(4) A person who is entitled to compensation by virtue of subsection (1) shall not be prevented from remitting, within a reasonable time after he has received any amount of that compensation in the form of a sum of money or, as the case may be, has received any such amount in some other form and has converted any of that amount into a sum of money, the whole of that sum of money (subject to any tax that applies generally to persons remitting moneys but free from any other deduction, charge or tax made or levied in respect of its remission) to any country of his choice outside Saint Christopher and Nevis.

(5) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of subsection (4) to the extent that the law in question authorizes—

(a) the attachment, by order of a court, of any amount of compensation to which a person is entitled in satisfaction of the judgment of a court or pending the determination of civil proceedings to which he is a party;

(b) the imposition of reasonable restrictions on the manner in which any sum of money is to be remitted; or

(c) the imposition of reasonable restrictions upon the remission of any sum of money in order to prevent or regulate the transfer to a country outside Saint Christopher and Nevis of capital raised in Saint Christopher and Nevis or in some other country or derived from the natural resources of Saint Christopher and Nevis.

(6) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of subsection (1)—

(a) to the extent that the law in question makes provision for the taking possession of or acquisition of any property, interest or right—

(i) in satisfaction of any tax, rate or due;

(ii) by way of penalty for breach of any law or forfeiture in consequence of breach of any law;

(iii) as an incident of a lease, tenancy, mortgage, charge, bill of sale, pledge or contract;

(iv) in the execution of judgments or orders of a court in proceedings for the determination of civil rights or obligations;

(v) in circumstances where it is reasonable necessary so to do because the property is in a dangerous state or likely to be injurious to the health of human beings, animals or plants;

(vi) in consequence of any law with respect to the limitation of actions; or

(vii) for so long only as may be necessary for those purposes, for the purposes of any examination, investigation, trial or inquiry or, in the case of land, for the purposes of the carrying out thereon of work of soil conservation or the conservation of other natural resources or work relating to agricultural development or improvement (being work relating to such development or improvement that the owner or occupier of the land has been required, and has without reasonable excuse refused or failed, to carry out),

and except so far as that provision or, as the case may be, the thing done under the authority thereof is shown not to be reasonably justifiable in a democratic society; or

(b) to the extent that the law in question makes provision for the taking of possession of or acquisition of any of the following property (including an interest in or right over property), that is to say—

(i) enemy property;

(ii) property of a deceased person, a person of unsound mind or a person who has not attained the age of eighteen years, for the purpose of its administration for the benefit of the persons entitled to the beneficial interest therein;

(iii) property of a person adjudged bankrupt or a body corporate in liquidation, for the purpose of its administration for the benefit of the creditors of the bankrupt or body corporate and, subject thereto, for the benefit of other persons entitled to the beneficial interest in the property; or

(iv) property subject to a trust, for the purpose of vesting the property in persons appointed as trustees under the instrument creating the trust or by a court or, by order of a court, for the purpose of giving effect to the trust.

(7) Nothing contained in or done under the authority of any law enacted by Parliament shall be held to be inconsistent with or in

contravention of this section to the extent that the law in question makes provision for the compulsory acquisition of any interest in or right over property, where that property, interest or right is held by a body corporate established by law for public purposes in which no moneys have been invested other than moneys provided by Parliament.

(8) Nothing contained in or done under the authority of any law enacted by the Nevis Island Legislature shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision for the compulsory taking of possession of any property, or the compulsory acquisition of any interest in or right over property, where that property, interest or right is held by a body corporate established by law for public purposes in which no moneys have been invested other than moneys provided by that Legislature.".

(B)(3) Arbitral Awards

The laws of Saint Christopher and Nevis provide for Arbitration proceedings in this country. Chapter 6, The Arbitration Act of the Laws of Saint Christopher and Nevis provides that the Arbitration Act 1950 of the Parliament of the United Kingdom shall be the law governing arbitration and all proceedings relating to arbitration within Saint Christopher and Nevis. Full access may be had to the Supreme Court of Judicature in respect of the enforcement or otherwise of arbitral awards.

In addition the practice within Saint Christopher and Nevis is that all agreements entered into by parties provide for arbitration by nominess of either party and an agreed chairman of the said tribunal. The practice has worked quite smoothly over our several years of legislative and commercial functioning.

(B)(4) Reverse Trade Preferences

Saint Christopher and Nevis does not provide preferential treatment to the products of any developed country. Furthermore, it is the policy of Saint Christopher and Nevis not to enter into any Agreement which would require it to do so.

(B)(5) Government Entity Rebroadcasting of Copyrighted Material

With reference to Section 212 of the Act, Saint Christopher and Nevis has long standing laws and regulations since 1919, that protect the authors of copyrighted material and otherwise govern the use thereof. More specifically, Chapter 336 of the laws of Saint Christopher and Nevis, makes clear that any copyrighted work, foreign or domestic, is accorded the full and fair protection of the laws of Saint Christopher and Nevis without distinction between national and foreign authors.

Additionally, Chapter 336 of our Law assures that any aggrieved party, foreign or domestic, has the right to seek redress in this Country's Court of proper jurisdiction, viz: the High Court of Justice and the Court of Appeal.

Recognizing, however, that developments in the telecommunications field provide, and will continue in the future to provide, new services and trade opportunities, Saint Christopher and Nevis believes it appropriate to consider further clarification, protection, and action regarding the use of copyrighted materials via the various modes of telecommunications, including, but not limited to, over the air (broadcast, satellites, microwave), wire (broadband or other) and recordings (sound, tape or disc).

While cognizant that there are several alternative legal and commercial means by which the Government could address the provisions set out in Section 212 (C-1) of the CBI Act, the Government has chosen, in the interest of speed, to remove the Government-owned television station ZIZ, from any direct role in the reception and direct rebroadcast of such programming, the copyrights of which may be held by United States Citizens. The Government will act forthwith to enter into a leasing arrangement with a private firm, which happens to be controlled by United States nationals, to receive or otherwise obtain such programs or signals. The Lease arrangement shall specify, and the prime operator shall assure, that the express authority of the copyright holder, and any fees associated therewith, are properly paid before offering such programs for broadcast, showing or distribution by ZIZ or any other authorised entity in Saint Christopher and Nevis.

Should the Government of Saint Christopher and Nevis choose at a later date to engage indirect acquisition and retransmission of such programs, such direct acquisition and retransmission will be under and pursuant to agreements arrived at in negotiations with copyright authors. accordingly and in furtherance hereof, we have conferred with an expert on the matter of negotiating directly with copyright holders. We expect to engage in future consultations, directly or indirectly, regarding the methods and procedures for arriving at appropriate rates and/or compensation.

We should like to note here that future negotiations with copyright holders may be done under the auspices of CARICOM, as appropriate, or may be done in concert with other member states in the Caribbean region.

Saint Christopher and Nevis has considered further the most appropriate method of clarifying use of copyrighted product and material between Saint Christopher and Nevis and the United States, as well as between Saint Christopher and Nevis and other Caribbean member states. In this regard, Saint Christopher and Nevis will consider becoming a signatory to the Universal Copyright Convention("UCC") as a means of providing further clarification to the clear protection of the laws now applicable hereto. Such consideration of the UCC, and subsequent adoption, does not preclude Saint Christopher and Nevis from considering any other bilateral or multilateral agreements that may best afford reciprocal protection for copyright holders, wherever situated. Registration requirements shall be in accordance with the ordinary practice and procedure of the Universal Copyright Convention.

(B)(6) Co-operation on Narcotics Matters

The Government of Saint Christopher and Nevis fully shares the concern of the Government of the United States on this serious problem. We have in the past co-operated fully with the United States in attempting to deal with this threat to the well-being of the citizens of both countries. Our agencies have an on-going relationship of co-operation with U.S. agencies and are associated with the sub-regional group based in San Juan, Puerto Rico. Under these arrangements, training programs are afforded our officials and we encourage and receive frequent visits by the customs, F.B.I. and other agencies based in this area. We expect to continue such co-operation in the future. We have been particularly pleased at the assistance which the United States has provided in this field as outlined earlier. This has enabled us to better combat this problem domestically and to contribute to international narcotics control efforts. We look forward to continued co-operation and assistance.

(B)(7) Extradition

Saint Christopher and Nevis is a party to the U.S.-U.K. Extradition Treaty of 1972 and fully enforce its provisions.

(C)(1) Desire to be Designated

Saint Christopher and Nevis wishes to be designated as a beneficiary under the Caribbean Basin Economic Recovery Act.

(C)(3) Access to Markets

(C)(4) Acceptance of International Trade Rules

(C)(5) Export Subsidies, Performance Requirements, Local Content Requirements

Saint Christopher and Nevis proposes to become a signatory to the General Agreement On Tariffs and Trade as soon as feasible now that this country has attained Independence on September 19, 1983. In the meantime, the provisions of the Agreement will continue to apply de facto. In line with this commitment to the Agreement, Saint Christopher and Nevis subscribes to the "Most-favored Nation" principle, with the permitted exception relating to CARICOM. We further subscribe to the principle of notification and consultation. In general, we seek to limit protective measures to tariffs. However, to protect certain infant industries Saint Christopher and Nevis does have an import licensing scheme in effect for certain commodities. GATT has been notified of this exception.

Saint Christopher and Nevis with the exception of preference to other CARICOM Members, provides non-discriminatory access to its markets to all countries. Foreign investment is encouraged and sought. Trade in services is also relatively open.

Saint Christopher and Nevis provides no export subsidies and imposes no export performance requirements or local content requirements on foreign or domestically-owned manufacturers. Certain levels of local value-added are required in order for an exporter to qualify for certain tax incentives.

(C)(6) Regional Revitalization

Saint Christopher and Nevis is a full member of the Caribbean Community (CARICOM) and supports its aims and objectives. We believe that the success of CARICOM in promoting the economic development of its members contributes to the revitalization of the wider region.

(C)(7) Self-Help

Saint Christopher and Nevis encourages the development of the private sector and the creation of a positive business environment. In this connection, the Government and the private sector consult regularly and effectively to foster a positive business environment. Several joint-venture projects are under consideration and joint promotional activities have been undertaken in the past and will continue in the future.

These include agricultural and manufacturing exhibitions and displays at home and abroad and participation in regional trade expositions and conferences on a joint basis.

Further local legislative measures will be considered to enable and stimulate the growth of the private sector. The policy of Saint Christopher and Nevis is to promote a healthy working relationship with the private sector since it is recognised that positive benefits may be derived for the on-going development of Saint Christopher and Nevis.

(C)(8) Workers Rights

The rights of workers to organize and bargain collectively are fully protected in Saint Christopher and Nevis by both custom and statute. The Trade Unions Act Chapter 353 preserves the right of persons to organize trade unions and further fundamental protection is afforded all workers under the provisions of the Constitution of Saint Christopher and Nevis whereby this right is entrenched as one of the fundamental rights enjoyed by citizens of Saint Christopher and Nevis.

Workers' health and safety is protected by statute. The Workmen's Compensation Act and the Social Security Act provide compensation for injuries received by workmen at their place of employment or in the course of their employment and a constant review and updating of these provisions is undertaken.

Saint Christopher and Nevis is committed to ensuring the health and safety of workers by legislative and other means so that the safest possible conditions may be afforded the worker.

(C)(9) Intellectual Property

Foreign products and processes are given protection under the Patents Act, Chapter 189 of the Laws, Trademarks Act, Chapter 192 of the Laws and the Copyright Act, Chapter 336. The provisions apply to all persons whether citizens or otherwise. Applications for registration are made to the Registrar's Office, Supreme Court, Saint Christopher and are generally treated with despatch. Resolution of disputes is by a judge of the High Court of Justice and the procedure is set out in the legislation referred to earlier. Advertisements and public notice of patents and trademarks is by way of publication in the Official Gazette with full details of registration and other particulars. The term of a patent or trademark is fourteen years from its date. The present fees for registration of a local trademark is EC. $36.00 and U.K. $7.20. Registration of a patent is EC. $98. Several penalties apply for infringement.

(C)(10) Private Broadcast of Copyright Material

This practice is extremely rare and limited in Saint Christopher and Nevis. Copyright legal and regulatory provision is the same as outlined in (C)(9) and (C)(5) above. Saint Christopher and Nevis is part of the common law system and recognized as authoritative judgments and authorities governing this area which have been delivered in common-law jurisdictions. Saint Christopher and Nevis reiterates its commitment to take all necessary steps to reinforce the protection required for all copyright holders.

(C)(11) Co-operation in Administration

Saint Christopher and Nevis is fully prepared to co-operate with all reasonable procedures aimed at maintaining the integrity of the Caribbean Basin Recovery Act Trade Provisions. This would include, but not be limited to, appropriate certification procedures and monitoring compliance.

Yours sincerely,

KENNEDY A. SIMMONDS,
Prime Minister and
Minister of Foreign Affairs.

JAMAICAN FOREGIN SERVICE,
Kingston, November 10, 1983.

Ambassador WILLIAM BROCK,
U.S. Special Trade Representative,
Washington, D.C.

DEAR AMBASSADOR, On behalf of the Government of Jamaica, I have the honour to refer to the legislation of the United States of America entitled "An Act to Promote Economic Revitalization and Facilitate Expansion of Economic Opportunities in the Caribbean Basin Region" and to welcome this major historic initiative.

Noting that Jamaica is listed among the countries which are eligible to be accorded the status of a Beneficiary Country, and in expressing the desire that Jamaica be so designated, the Government of Jamaica in presenting this statement of policy wishes to assure the Government of the United States of America that Jamaica fully meets the criteria set forth in the Act for that status.

A constitutional monarchy and parliamentary democracy, Jamaica has entrenched provisions under Section 28 of its Constitution which expressly prohibit compulsory acquisition of property of any description, except under provisions of law prescribing principles of compensation and affording a right to access to court by any person claiming an interest in the property. This is of general application extending to treatment of aliens within the domestic jurisdiction and the right to compensation fully reflects general principles of customary international law. In addition the Government of Jamaica firmly adheres to observation in good faith of arbitral awards which are binding on the parties submitting the disputes to arbitration.

My Government wishes to convey the further assurance that as a Contracting Party to the General Agreement on Tariffs and Trade, Jamaica is committed to the fundamental principle of non-discrimination in international trade and follows the accepted rules of international trade laid down by the General Agreement. In keeping with the recognized policy of the Contracting Parties which under the Enabling Clause accepts the principle of non-reciprocal preference by developed countries in favour of developing countries, Jamaica does not accord any form of preferential treatment to the products of any developed country.

The Government of the United States may also be assured that consistent with Jamaica's obligations under the General Agreement on Tariffs and Trade, as well as in terms of recognized principles of international law and relevant Resolutions of the United Nations, equitable and reasonable access to the Jamaican market and to the basic commodity resource of Jamaica remains open to all states on a reciprocal non-discriminatory basis. The Government of Jamaica will continue to act in conformity with its international obligations including observance of provisions under the General Agreement on Tariffs and Trade regarding procedures for consultations as well as for notification of any measures restricting trade. Further, Jamaica has accepted the 1979 Geneva Protocol and in the context of the Caribbean Common Market Treaty, has been studying the content of the Tokyo Round Agreements of the Multilateral Trade Negotiations in conjunction with the other member states. It is also to be noted that Jamaica does not either directly or indirectly resort to policies which distort international trade and as part of its Economic Recovery Programme will continue to review its trade promotion policies to ensure that this remains the case. Furthermore, Jamaica's trade policies are positively directed towards the general liberalization and expansion on a global multilateral non-discriminatory basis of international trade. Of particular importance is the objective of fostering economic integration within the Caribbean Community and Common Market while also seeking to expand intra-regional trade within the Caribbean Basin with a view to revitalization of the region. The Government of Jamaica is prepared to consult with the United States Government if the United States Government believes that any trade promotion practices of the Government of Jamaica have a trade distorting impact. For such time as Jamaica continues to employ trade promotion devices which appear countervailable under United States law, the Government of Jamaica will not expand the overall level of its export subsidies. Finally, I wish to assure you that the Government of Jamaica is also avoiding the use of any performance requirements which would distort its trade with the United States.

On the subject of protection against infringement of copyright, the relevant Jamaican Statute is the Copyright Act 1913 which is of general application and enforceable against all, including Government-owned entities. Full observance of the provisions of the Act is naturally expected and required of the publicly-owned Jamaica Broadcasting Corporation at all times and effective measures have been instituted to ensure that they are complied with. The Jamaica Broadcasting Corporation will not engage in the broadcast of copyrighted material including films or television material, belonging to the United States copyright owners without agreement between Jamaica Broadcasting Corporation and United States copyright owners. Further, the Jamaican Government will take effective steps to ensure that private Jamaican broadcasters will also not engage in such broadcasts without such agreement. The Government has also decided to ratify the Universal Copyright Convention. In addition, the Patent Act, 1857 and the Trade Marks Act, 1958 provide adequate protection for the exercise and enforcement of exclusive rights in intellectual property. Jamaica also became a member of the World Intellectual Property Organization (WIPO) on 25th December, 1978. Redress through recourse to the courts accordingly provides an effective means of enforcement of copyright and protection of intellectual property rights. The Jamaican Government will provide, on a reciprocal basis adequate and effective means for the enforcement of intellectual property rights held by United States nationals.

The Government is strongly opposed to the international traffic in narcotics and other dangerous drugs. Jamaica is a party to the following International Treaties on Narcotic Drugs:

The International Opium Convention (1925);

Conventions for Limiting the Manufacture and Regulating Distribution of Narcotic Drugs (July 1931);

The Protocol Bringing Under International Control Drugs Outside the Scope of the Convention of July 1931 (November 1948);

The Single Convention on Narcotic Drugs (1961).

The Government of Jamaica is particularly disturbed about the illicit production in Jamaica of Cannabis Sativa (Ganja) to which the International Traffic has given rise over the years, and the International Trafficking through Jamaica of this and other illicit dangerous and other narcotic drugs such as Cocaine which pose a serious social threat. Under Jamaica's Dangerous Drugs Act, 1948, it is an offence for any person to produce, import or export dangerous drugs without a license. This Law provides stringent penalties and every effort is being made to enforce it rigidly. Regrettably, despite our best efforts and continuing invaluable assistance from the Law Enforcement Authorities of the United States of America the problem has not been eliminated.

It may be confidently stated, however, that improved techniques of enforcement, prevention and detection are offering the potential for more far-reaching results. The Government has for several years destroyed ganja cultivations, and seized, detained and destroyed ganja located in storage and intransit. It continues to do so. As recently as last September a very large cultivation on public land was identified and destroyed; and the detention and destruction of large quantities of ganja by the Security Forces is a continuing operation. The patrolling of our territorial waters is being maintained and other enforcement measures have also been instituted to the extent of available resources. Legislative action is being taken to strengthen control over the illegal use of domestic airstrips by drug traffickers. It is the firm intention of the Government of Jamaica to control the cultivation, trafficking and exporting of any illicit drugs produced in Jamaica, and to halt and reverse the illicit international trafficking in dangerous drugs and narcotic substances through Jamaica. The Government views the production of any illicit drugs and the development of this traffic with considerable concern and is determined to work towards their control and elimination.

The 1931 United Kingdom—United States of America Treaty for the extradition of fugitive offenders which was applied to Jamaica in 1935 governs extradition relations between our two countries and is due to be replaced by a new extradition treaty signed on 14th June, 1983, which will take effect when ratified by our respective Governments.

Section 23 of the Jamaican Constitution, in enshrining the protection of freedom of assembly and association, expressly provides that, except with his own consent no person shall be hindered from belonging to trade unions. Protection of the right of workers to organize and to engage in collective bargaining and the regulation of industrial relations are also provided for by the Trade Unions Act, 1919; The Labour Relations and Disputes Act, 1975; and the Employment (Employment and Redundancy Payments) Act, 1974. Further, the Factories Act, 1943 lays down regulations for the purpose of ensuring the safety, health and welfare of persons employed in any factory.

In relation to the economic conditions and living standards in Jamaica as well as the measures being taken to promote Jamaica's economic development, my Government has instituted a major Economic Recovery Programme. The principal objective is to regenerate economic growth through creation of a climate conducive to private initiative and enterprise by reducing central regulatory measures in trade, industry and commerce and by vigorously reviving the market system. Among the most important elements are an export-led development strategy, intensive agricultural production under a special programme (AGRO 21), expansion of the manufacturing sector and the adoption of monetary policies aimed at mobilising savings and increasing availability of credit to priority sectors. The Government is also committed to limiting the role of the state in commercial activities and to rationalizing and reforming the institutional framework of the Public Administration to ensure greater efficiency. A three-year Public Sector Investment Programme has also been embarked upon. Both programmes are supported by the International Monetary Fund, the World Bank (IBRD), various donor countries and their agencies, and external commercial banks. This does not at all detract however from the essentially self-help character of these programmes which are directed to resusicitation of an economy which experienced negative growth over seven consecutive years to 1980.

The foundations of the export development programme are the phased elimination of quantitative import restrictions over a five-year period which will serve to stimulate domestic competition and increase efficiency in production; an export promotion programme focusing on non-traditional products; increasing availability of foreign exchange particularly to exporters of such products through a foreign exchange retention scheme for certain export earnings; and the preparation of action programmes for seven priority sub-sectors of manufacturing. The Export Development Fund is being expanded and its operating procedures simplified. In addition, steps have been taken to deregulate the external marketing of a number of important agricultural commodities, previously marketed exclusively by public sector commodity organisations. Efforts are also underway to facilitate export development by providing efficient and economic means of air cargo transport.

Major initiatives have been taken in the field of agriculture. There has been established an Agricultural Credit Bank which will increase the volume and flow of credit to this sector. Special tax incentives for agriculture including total relief from income tax in this sector, have been introduced. Of particular importance is the special programme—AGRO 21—for the restructuring and expansion of the agricultural sector as a crucial aspect of the overall structural adjustment of the economy. The programme will concentrate primarily on production, marketing (particularly of exports), and employment generation. The general objective is to modernize and rationalize the agricultural sector in order to increase its net contribution to the nation's output of goods, service and foreign exchange earnings. Specific targets include bringing a total of 200,000 acres of additional land into agricultural production by 1986/87, with emphasis on commercial viability and crop diversification in areas of high foreign exchange earnings and savings potential. It is also expected to generate approximately 92,000 additional employment opportunities during the period.

Increasing private foreign investment in Jamaica is a vital objective of the Government. The Central Bank (the Bank of Jamaica) is the approving authority for foreign investment in Jamaica, while the Jamaica National Investment Promotion Limited was incorporated in 1981 as the public institution responsible for promoting investment projects and responding to investment enquiries. At the end of August 1983, after twenty-three months of its operations, a total of one hundred and sixty-five (165) investment projects had been implemented representing a capital commitment of $272.325 million with employment potential for 15,109 persons when in full production.

The investment policy of Government affords a wide range of liberal tax and non-tax incentives. It allows for remittance of profits and dividends, capital repatriation, payment of fees overseas, and acquisition of real estate in Jamaica by foreign investors. Local bank credit is fully available to resident companies while non-resident companies may have up to 25 percent of their net worth. There is also the Kingston Free Zone which is an export centre for manufacturing, warehousing and distribution financed solely with foreign exchange. The Government of Jamaica accordingly welcomes foreign investment and keeps under constate review incentives and facilities for foreign investment with the aim of increasing the competitiveness of Jamaica as a market for foreign investment.

The balance of payments deficit and the consequent acute shortage of foreign exchange reserves have continued to be a major problem but one which the Government is determined to resolve. In this connection, policies are directed to a significant rationalization of scarce foreign exchange use toward imports of essential raw materials and capital goods. It is hoped that there will be improved access to foreign exchange through the recently introduced regime which permits the commercial banking systems to freely trade foreign exchange at rates freely determined by them. In addition, the system of import licensing has been substantially modified to reduce the element of bureaucracy and efforts are underway to similarly improve customs procedures to facilitate both importers and exporters. These measures are intended to lay the basis for implementation of the Government's policy of progressive elimination of the restricted list of imports and liberalization of the import regime. It should be stressed that the residual element of import licensing is not intended to be, and does not operate as a form of trade protectionism. It is wholly and exclusively a means of rationalization of scarce foreign exchange resources to ensure that they are available for the principal priorities.

The Government has so far managed to stimulate some resurgence in the economy with modest levels of growth, together with a reduction in inflation and in unemployment. This has been achieved against the background of international recession severely affecting Jamaica's principal export of bauxite and alumina. The Government has also had to meet a very high level of debt service but has done so in a creditable manner as the international financial institutions can confirm.

The Government of Jamaica expresses its willingness to cooperate fully with the United States of America in the administration of the arrangements under the Act in order to ensure that it operates to the mutual benefit of our two countries; and Jamaica is prepared to notify and consult with the United States in even of changes in any of the policies or practices discussed above which may prove to be inconsistent with any of the designation criteria of the United States law.

I have addressed a similar letter to the Honorable George Schultz.

Yours sincerely,

H. L. SHEARER,
Deputy Prime Minister and
Minister of Foreign Affairs.

OFFICE OF THE PRIME MINISTER,
Saint Vincent and the Grenadines,
West Indies, September 19, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the U.S. Trade Representative,
Washington, D.C.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State,
Washington, D.C. United States of America

DEAR MR. AMBASSADOR, DEAR MR. SECRETARY: I would like to express my pleasure at the passage of the Caribbean Basin Economic Recovery Act. Saint Vincent and the Grenadines wishes to be designated as a beneficiary country under the Act. As requested, the following letter discusses the criteria for designation as a beneficiary country laid down in the Act as they apply to Saint Vincent and the Grenadines.

(B)(2) Expropriation

St. Vincent and the Grenadines has not expropriated or otherwise seized assets belonging to a United States citizen or by a corporation, partnership or association. In any case of expropriation or nationalization, the private party, whether United States or not is protected by the laws of Saint Vincent and the Grenadines. These laws provide that expropriation may only be undertaken for a public purpose and provide legal protection and compensation in section 6 of the Constitution of St. Vincent and the Grenadines (Statutory Instruments 1979 No. 916) from the deprivation of property. The Land Acquisition Act 1946 (No. 22 of 1946) sets out the various procedures for acquisition.

(B)(3) Arbitral Awards

By the St. Vincent and the Grenadines Arbitration Act 1952 (No. 10 of 1952) and the Arbitration (International Investment Disputes) Act 1966, a United Kingdom Act which is applicable in St. Vincent and the Grenadines, Arbitral Awards are settled, that is, provided that there is no built in mode of settlement in the document giving rise to the need for arbitration. There are no outstanding cases on the subject matter.

(B)(4) Reverse Trade Preferences

Saint Vincent and the Grenadines does not provide preferential treatment to the products of any developed country and it is not the policy of St. Vincent and the Grenadines to enter into any agreement which would require it to make such an arrangement.

(B)(5) Government Entity Rebroadcasting of Copyright Materials

No entity owned by the Government of St. Vincent and the Grenadines is engaged in the rebroadcast of copyright material belonging to United States Copyright holders without their express consent and it is our intent in the future not to do so.

(B)(6) Cooperation on Narcotics Matters

The Government of St. Vincent and the Grenadines fully shares the concern of the Government of the United States on the serious problem of the production, distribution, use and abuse related to Narcotics. We have in the past cooperated fully with the United States in attempting to deal with this threat to the well-being of citizens of both countries. More than twelve (12) persons from St. Vincent and the Grenadines have been trained by the United States Government in narcotics interdiction. We have laws against the cultivation, use and possession of narcotics. The Dangerous Drugs Acts 1937 to 1980, further provides for arrest, trail, punishment, confiscation and destruction of narcotics. Various vehicles and other equipment have, from time to time, been seized for being used in the transporting of marijuana. Land and sea patrols carry out surveillance on carriers. We expect to continue such a policy in the future. With the United States continued cooperation and assistance we hope to control this problem adequately.

(B)(7) Extradition

St. Vincent and the Grenadines shall forthwith advise the Secretary General of the United Nations that the Extradition Treaty (1976 No. 2144) entered into by the United Kingdom Government, on behalf of St. Vincent and the Grenadines, with the United States will continue to apply.

Within this calender year, St. Vincent and the Grenadines cooperated in sending to the United States jurisdiction a felon wanted by the authorities in the United States.

TRADE

(C)(3) Access to Markets; (C)(4) Acceptance of International Trade Rules; (C)(5) Export Subsidies, Performance Requirements, Local Content Requirements

St. Vincent and the Grenadines, while not a signatory to the General Agreement on Tariffs and Trade, applies the Agreements rules and principles de facto. We are seriously studying the possibility of becoming a signatory to the Agreement. We subscribe to the "most favoured nation" principle, with the permitted exception relating to CARICOM. We further subscribe to the principle of notification and consultation. In general, we seek to limit protection measures to tariffs. However, to protect certain infant industries, St. Vincent and the Grenadines does have an import licensing scheme in effect for certain commodities. GATT has been modified in this exception. There are no other relevant details on the application of GATT rules and procedures in St. Vincent and the Grenadines.

St. Vincent and the Grenadines, with the exception of preference to other CARICOM members, provides non-discriminatory access to its markets to all countries. Foreign Investment is encouraged and sought. Incentives to invest are provided under the Fiscal Incentives Act 1982 (No. 5 of 1982) which gives effect to a CARICOM Agreement on Harmonization of Fiscal Incentives to Industry.

St. Vincent and the Grenadines provides no export subsidies and imposes no export performance requirements of local content requirements, on foreign or domestically owned manufacturers. Certain levels of local value—added are required in order for an exporter to qualify for certain tax incentives.

(C)(6) Regional Revitalization

St. Vincent and the Grenadines is a full member of the Caribbean Community and supports its aims and objectives. We believe that the success of CARICOM in promoting the economic development of its members contributes to the revitalization of the wider region.

(C)(7) Self-Help

St. Vincent and the Grenadines offers excellent opportunities for both local and foreign investors.

Based on the objective of creating a sound and balanced economy, diversified investment opportunities are now available for investors seeking viable ventures.

A generous set of investment incentives, including, amongst others, tax holiday; duty-free access; income tax exemption; etc. as well as political stability; social cohesion; low labour costs; good industrial relations and relatively well educated and adaptable labour force make the St. Vincent investment climate a healthy one.

An important vehicle in St. Vincent and the Grenadines' strive for a more balanced economy is the Development Corporation, established in 1970, which objective is to stimulate, facilitate and undertake the development of the State with specific emphasis on industrial and tourist development.

Its scope of responsibilities has widened with the merges of the Agriculture and Cooperative Bank into DEVCO, and include, inter alia, the construction of factory space (industrial estate); the provision of loans under a small industry credit scheme; the facilitation of further higher or technical education under a Student Loan Scheme etc.

The Government of St. Vincent and the Grenadines attaches a high priority to further encourage private investment, both local and foreign and the development of the economy.

(C)(8) Workers' Rights

The workers' right to organize and bargain collectively is fully protected in St. Vincent and the Grenadines by case law, and statute. By case law it was fully established by the Judicial Committee of the Privy Council in the United Kingdom. By law as follows—

(i) Section 11 of the Constitution (Statutory Instruments) (1979 No. 916) which provides for protection of freedom of assembly and association.

(ii) Wages Regulations (Shop Assistants) Order 1982 (No. 10 of 1982).

(iii) Wages Regulations (Industrial Workers) Order 1982 (No. 11 of 1982).

(iv) Wages Regulation (Agricultural Workers) Order 1982 (No. 12 of 1982).

(v) Wages Regulations (Domestic Workers) Order 1982 (No. 13 of 1982).

(vi) Protection of Employment Act 1980 (No. 16 of 1980).

(vii) Protection against Unfair Dismissals Notification 1982 (No. 50 of 1982).

(viii) Workmen's Compensation Act 1963 (No. 22 of 1963).

In addition a Provident Fund has been established to provide for retirement benefits of non-pensionable persons.

The Accidents and Occupational Diseases (Notification) Act 1952 (No. 24 of 1952) and the Factories Act 1955 (No. 5 of 1955) include provisions regarding the Health and Safety of Workers.

(C)(9) Intellectual Property

The Copyright Act 1956 (U.K.) extends and applies to St. Vincent and the Grenadines by virtue of the Copyright (St. Vincent) Order (1967 Statutory Instruments No. 974).

Patents are provided for in St. Vincent and the Grenadines by the Patents Act Chapter 155 and by the registration of United Kingdom Patents Act, Chapter 156.

Registration of United Kingdom Trade Marks Act 1940 (No. 5 of 1940) provides for registration of trade Marks on proof that they are registered in the United Kingdom.

All these measures are United Kingdom in origin and are applicable and enforceable in St. Vincent and the Grenadines.

During litigation for infringement, an injunction to restrain the wrongdoer and to minimise damage may be secured from the High Court. Notice of Copyright, Patents and Trademarks are published in the Government Gazette and at least one newspaper of wide circulation in St. Vincent and the Grenadines.

The Acts themselves provide the answer to questions in (C)(9).

(C)(10) Private Broadcast of Copyright Material

This is not applicable to St. Vincent and the Grenadines. It is answered in (C)(9) above. St. Vincent and the Grenadines is not aware of any piracy of films, videotapes or television materials in the State.

There is provision in the Wireless Telegraphy Act 1949 (U.K.) which extends to St. Vincent and the Grenadines which makes it unlawful to broadcast without a licence.

Any private entity seeking to broadcast must first obtain a licence from Government. The Government of St. Vincent and the Grenadines intends to scrutinize carefully any application to ensure that the applicant respects the right of Copyright holders.

(C)(11) Cooperation in Administration

St. Vincent and the Grenadines is fully prepared to cooperate with all reasonable procedures aimed at maintaining the integrity of the Caribbean Basin Recovery Act Trade provisions. This would include, but not be limited to, appropriate certification procedures, monitoring compliance, and provision of information.

Sincerely yours,

R. MILTON CATO, P.C.
Prime Minister/Minister for Finance.

OFFICE OF THE PRIME MINISTER,
Saint Vincent and the Grenadines,
West Indies, November 2, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the U.S. Trade Representative,
Washington, D.C.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. AMBASSADOR, DEAR MR. SECRETARY: My Government understands that after reviewing my letter of September 19th, 1983, the Government of the United States has a number of questions regarding the fulfillment of certain designation criterion of the Caribbean Basin Economic Recovery Act by St. Vincent and the Grenadines. We wish to make the following additions to our previous letter in the hope of clarifying those issues:

Section 212B(1) addition

St. Vincent and the Grenadines is a Parliamentary Democracy.

Section 212B(2) addition

Intellectual Property of any type, including property protected by patents and trade marks is accorded the same protection against expropriation provided under the constitution for other types of property. There are no disputes involving United States citizens and the Government of St. Vincent and the Grenadines arising out of the nationalization of property.

Section 212B(3) addition

There are no instances in which our Government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards in favour of United States citizens or companies.

Section 212C(5) addition

The Government of St. Vincent and the Grenadines will keep under review its fiscal incentives related to exports, with the objective of avoiding distortions in its international trade. The Government of St. Vincent and the Grenadines agrees to consult with the United States Government if the United States believes that any trade promotion practices of the Government of St. Vincent and the Grenadines have a trade-distorting effect. The Government of St. Vincent and the Grenadines will also avoid the use of any performance requirements which would distort trade with the United States.

Section 212C(9) addition

The Government of St. Vincent and the Grenadines will provide adequate and effective protection of intellectual property rights held by foreign nationals.

The Government of St. Vincent and the Grenadines understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. St. Vincent and the Grenadines agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the United States law. The Government of St. Vincent and the Grenadines would be prepared to consult with the United States Government upon request concerning such changes.

Sincerely yours,

R. MILTON CATO, P.C.,
Prime Minister/Minister for Finance.

Embassy of Trinidad and Tobago,
Washington, D.C., November 16, 1983.

Ambassador William E. Brock,
U.S. Trade Representative,
Washington, D.C.

Dear Ambassador Brock, I have the honour to refer to your Government's invitation to Trinidad and Tobago to be designated as a beneficiary country under the provisions of the Caribbean Basin Economic Recovery Act. The Government of Trinidad and Tobago accepts the invitation and, confident that it meets both the mandatory and discretionary criteria set out in the Act, looks forward to its designation.

The Government of Trinidad and Tobago believes that it has satisfied the criteria of Section 212(B) of the Caribbean Basin Economic Revovery Act for the following reasons:

Since its Independence in 1962, Trinidad and Tobago has had a stable democratically elected government. Individual rights and freedoms are entrenched in the Trinidad and Tobago Constitution. The Constitution provides for the principle of the Separation of Powers.

Trinidad and Tobago has never nationalized, expropriated or otherwise seized property and has no intention of so doing. The right of the individual to the enjoyment of property and the right not to be deprived thereof except by due process of law, are rights enshrined in the Constitution of Trinidad and Tobago (Section 4(a)). The right of the individual to equality before the law and the protection of the law is also enshrined in the Constitution (Section 4(b)). Redress may be sought in the High Court for any alleged infringement of these rights (Section 14 of the Constitution). These provisions also accord protection to intellectual property of all types including patents and trademarks and apply to all individuals, national or foreign.

The compulsory acquisition of property is governed by the Land Acquisition Act, Chapter 58:01, under which land can only be acquired for public purposes—decided upon by the President with the approval of Parliament—and compensation shall be payable in accordance with the Act, and the rules of assessment set out therein (Section II of the Act).

Trinidad and Tobago is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June, 1958. Trinidad and Tobago acceded to this Convention in 1966. In addition, the laws of Trinidad and Tobago provide for the enforcement of arbitral awards. There are also rules and procedures whereby foreign arbitral awards are recognized and effect given to such awards under the law through the Courts. The record of the Government of the Republic of Trinidad and Tobago in his regard is unblemished. There is no instance in which the Government of the Republic of Trinidad and Tobago has failed to recognize as binding or to enforce an arbitral award.

Trinidad and Tobago does not offer preferential treatment to any developed country.

Government agencies have always recognized and will recognize the rights of copyright owners and have always sought and obtained the necessary consent and/or license to broadcast copyright material including films.

The Trinidad and Tobago Government cooperates with the United States Government in the area of narcotics trafficking on the basis of reciprocity and mutual understanding. Trinidad and Tobago Government Officials work in close collaboration with the United States Drug Enforcement Agency in the control of narcotics traffic.

Further, Trinidad and Tobago Government Officials participate in the training programmes organized by the United States Drug Enforcement Agency.

An Extradition Treaty was entered into between Great Britain and the United States of America on December 22, 1931. A British Order in Council dated June 6, 1935, which was published in the London Gazette on June 14, 1935, stated the Treaty as applying to the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man and all British Colonies. On Independence in 1962, Trinidad and Tobago agreed to assume the rights, benefits, obligations and responsibilities of the Government of the United Kingdom arising from that Treaty in so far as they were applicable to Trinidad and Tobago.

With regard to the discretionary criteria, the Government of Trinidad and Tobago believes that it is observing policies and practices which are in conformity with the designation criteria listed in Section 212(C) of the Act for the following reasons:

Trinidad and Tobago is desirous of being designated a beneficiary country.

Trinidad and Tobago is a country with a relatively high per capita GNP. Nevertheless, the economy is still bedevilled by many of the weaknesses and impediments associated with developing countries, including an excessive and unsettling dependence on one single export product for the major part of foreign exchange earnings.

Trinidad and Tobago has always maintained a liberal and open trading environment with the international economic community as well as within the CARICOM region. Trinidad and Tobago observes the principle of non-discrimination, thereby encouraging reciprocal trading particularly with the United States. The United States is Trinidad and Tobago's major trading partner accounting for approximately 40% of total trade. The United States absorbs 44% of our exports and supplies 35% of our imports. Trinidad and Tobago does not unduly impede import or export activities with the United States. The United States will continue to enjoy equitable and reasonable access to the basic commodity resources of Trinidad and Tobago.

In recognition of the shift in its trading patterns, Trinidad and Tobago in 1976 severed its link with the pound sterling and pegged its currency to the United States dollar. On the whole, Trinidad and Tobago adheres to the MFN principle in International Trade.

As an active member of the GATT, Trinidad and Tobago adheres to the rules of GATT in its international trade relations, and takes an active part in the work of GATT. Trinidad and Tobago has participated in several of the multilateral trade negotiations, and concessions made therein have been bound in the GATT.

The trade regime of CARICOM to which Trinidad and Tobago adheres conforms fully with the provisions of the General Agreement. The Government of Trinidad and Tobago is at present giving serious consideration to the Codes which were drawn up as part of the Tokyo Round of negotiations. Consideration is also being given to the coordination of an approach to the Codes by all CARICOM countries so as to ensure that the integrity of the Community is not affected and the economic development priorities of the CARICOM countries be best served.

On the question of Customs Valuation, while Trinidad and Tobago has not acceded to the Code, the Customs and Excise Division of Trinidad and Tobago, in its day-to-day operation adheres to the application of the Brussels Definition of Value and of its Interpretation Notes as enunciated.

The method of valuation is therefore not arbitrary nor does it artificially increase the value of imported goods. The law and its application are fair, uniform and neutral. Indeed, provision is made in the Customs Laws for the determination of value in cases of dispute between the Customs Authority and the importer.

Inasmuch as the law is based on the BDV, there is no hierarchial order in the method of assessment. However, the vast majority of imports are determined by the transaction value basis along the lines of Article 1 of the GATT/MTN Code.

Indicative of Trinidad and Tobago's commitment to the provisions of the GATT which, inter alia, seeks to restrain further increases in Tariff Levels and as a measure of cooperation with the U.S.A., Trinidad and Tobago agreed in the 1979 Multilateral Trade Negotiations to be bound by the levels of tariff on the following products among others:

1. Stationary Industrial Internal Combustion Engine;
2. Hydraulics Engines and motors;
3. Furnace Burners;
4. Liquid Fuels;
5. Agricultural Machinery.

The small size of the economy renders it necessary in some instances to grant protected status to firms in order to achieve a minimum level of efficiency. Wherever practicable, the Government will inform the United States of a time schedule for the removal of such measures. Such protection of infant industries is granted for strictly limited periods, rarely exceeding five (5) years.

It is generally recognized that developing countries need to provide assistance to manufacturers to enable them to develop their productive capacity. Trinidad and Tobago has concentrated its support for production geared for domestic consumption.

Government assists with the provision of required infrastructure in order to foster the development of new industries in conditions where entrepreneurs, both domestic and foreign, would be unable to provide it.

The Government of the Republic of Trinidad and Tobago will coninue to be mindful of its international obligations under the General Agreement on Tariffs and Trade, with a view to the avoidance of measures which distort international trade. In keeping with these obligations, the Government of the Republic of Trinidad and Tobago would be prepared to consult with the United States in the event that the United States believes that its interests have been or are being harmed by trade promotion measures adopted by the Government of the Republic of Trinidad and Tobago. The Government of the Republic of Trinidad and Tobago agrees to keep such subsidies which it may grant to the minimum levels required by its development needs, but will not expand the overall level of such subsidies. The Government will also avoid the use of any export performance requirements or compulsory local content requirements for export industries, which may distort trade.

Trinidad and Tobago has one of the most open trading policies in the region. The relatively high purchasing power of the Trinidad and Tobago consumer and the resultant buoyant local demand have served as the principal stimulus for the growth for the rest of the region.

Trinidad and Tobago has been and continues to be the major financier of Caricom trade and investment. Grants and generous loans on concessionary terms amounting to $1.6 billion TT dollars have contributed a substantial share of interregional liquidity. Such loans were disbursed under the following general heads:

Caricom Oil Facility;
Caricom Aid Council;
Balance of Payments Support;
Contribution to multilateral lending agencies e.g. the Caribbean Development Bank, the Inter-American Development Bank, etc.

Trinidad and Tobago's aid has consistently exceeded the official U.N. target of 0.7 percent of GNP. In 1978, Trinidad and Tobago's aid to the region was 2.1 percent of GNP and in 1979-80, it was 2.2 percent. Almost every country in Caricom has been a beneficiary.

Trinidad and Tobago has largely financed the Caricom Multilateral Clearing Facility—a mechanism geared to the facilitation and expansion of trade in the region.

Trinidad and Tobago has in this regard embarked on an active programme of policy review and administrative reform involving, inter alia:

Reform of the Negative List—e.g. the Import Licensing Regime;
Removal of bureaucratic delays and restrictive administrative procedures;
Tripartite consultations on national productivity;
The levels of subsidies of the public utilities have been drastically reduced and they have been mandated to bring utility rates more in line with cost. Efficiency measures have been introduced at all levels;
Creation of an internal capital market by establishment of a Stock Exchange and other financial institutions supported by appropriate legislation;
Measures to promote the growth and development of the non-oil sector to reduce dependence on one product for export earnings;
Pruning of public sector projects to promote efficiency, eliminate waste and minimise costs.

The history of the labour movement in Trinidad and Tobago shows that Trade Unions are free from government interference in the management of their affairs and activities and that there is no government intimidation of trade unions. In addition, they have always enjoyed the right to have international affiliations. Trinidad and Tobago has therefore ratified and adhered to the ILO Conventions concerning:

Freedom of Association and Protection of the Right to Organize; and

Application of the Principles of the Right to Organize and to Bargain Collectively.

The practical application of the rights inherent in these Conventions, can be gleaned from the provisions of both the Industrial Relations Act, Chapter 88:01 and the Trade Union Act, Chapter 88:02.

The Industrial Relations Act provides inter alia for:

(i) the establishment of an Industrial Court as the final arbiter in trade disputes;

(ii) the establishment of a Registration, Recognition and Certification Board to deal with applications by Trade Unions for recognition;

(iii) the encouragement of collective bargaining and voluntary negotiations of wages and conditions of employment between employers and trade unions subject to the intervention of the Industrial Court in the event of non-agreement (Section 40); and

(iv) the prohibition of anti-union discrimination (Section 42).

The Trade Union Act makes provisions generally for:

(a) the appointment of a Registrar of Trade Unions;

(b) the registration of trade unions;

(c) the withdrawing or the cancellation of certificate of registration of a trade union but only by the Registrar and on certain specific requirements;

(d) an appeal to a High Court against any withdrawal or cancellation of a certificate of registration;

(e) dissolution of a trade union but only by the members themselves (Section 27).

The Minimum Wages Act, Chapter 88:04 empowers the Minister of Labour to fix minimum wages and terms and conditions of service for any class of workers generally or for any class of workers in a particular industry or undertaking to fix a national minimum wage applicable to workers generally.

This authority has been exercised in a few sectors in which unionisation has been difficult and, in consequence, wages and terms and conditions of service have been inferior to the national average.

In respect of the safety of workers, the Factories Ordinance, Chapter 30 No. 2 was enacted in 1944 and makes provision for the promotion of the safety, health and welfare of persons employed in factories and certain other activities.

Part IV specifically deals with the safety of workers and provides, inter alia, for:

(a) protective guards on machinery;

(b) prohibition against cleaning of machinery whilst in motion;

(c) secure fencing of prime movers and flywheels, all transmission machinery as well as dangerous parts of machinery;

(d) annual examinations of hoists, lifts, steam boilers and air pressure containers;

(e) requirements for means of escape in case of fire;

(f) a Government Inspector to seek a Court Order to close a factory where there is imminent risk of bodily injury;

(g) prohibition against the use of white phosphorus; and

(h) medical practitioners attending workers suffering from lead arsenical, benzene phosphorus, mercurial oranitine poisoning and certain other scheduled ailments believed to have been contracted in a factory to notify the Government Inspector.

In addition, the common law rules relating to employers' liability, provide further protection for the worker in the work-place.

Considerable work has already been done on a comprehensive revision of this Ordinance and the Government of Trinidad and Tobago has announced that legislative action is contemplated in respect of an Occupational Health and Safety Bill.

The laws of Trinidad and Tobago afford legal protection to foreign nationals with regard to the security, exercise and enforcement of exclusive rights in intellectual property in accordance with the Copyright Act 1911 (U.K.) which forms part of the laws of Trinidad and Tobago. Other relevant legislative provisions are contained in the Trade Mark Act, Chap. 82:81 and the Patents and Designs Act, Chap. 82:83. At present, steps are being taken to update the Laws relating to intellectual property and in particular copyright in Trinidad and Tobago. The Government will provide adequate and effective protection of intellectual property rights held by foreign nationals. The Government of Trinidad and Tobago will ensure that any broadcasting by Trinidad and Tobago nationals of U.S. copyrighted material will occur only with the express consent of the copyright owners.

The Government of the Republic of Trinidad and Tobago supports the concept of a Caribbean Basin Economic Recovery Programme and has intimated to the United States Administration its desire for a speedy and unfettered implementation of the programme. The Government of Trinidad and Tobago wishes to register its willingness to participate in the trade regime of the Caribbean Basin Initiative and to cooperate with the United States in the Administration of the programme in a manner consonant with respect for the principle of sovereign equality of all States and calculated to redound to the mutual benefit of both countries.

The Government of Trinidad and Tobago understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. The Government of Trinidad and Tobago agrees to notify the United States in the event of changes in any of the policies, practices, laws or regulations discussed above which the Government of Trinidad and Tobago believes may be inconsistent with any of the designation criteria of the United States law. The Government of Trinidad and Tobago would be prepared to consult with the United States Government upon request concerning such changes.

Accept, Sir, the assurances of my highest consideration.

J. O'NEIL-LEWIS, *Ambassador.*

OFFICE OF THE PRIME MINISTER,
Commonwealth of Dominica, West Indies, November 2, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the U.S. Trade Representative, Washington, D.C.

DEAR MR. AMBASSADOR: My Government understands that after reviewing my letter of October 5, 1983, the Government of the United States has a number of questions regarding the fulfilment of certain designation criterion of the Caribbean Basin Economic Recovery Act by the Commonwealth of Dominica. We wish to make the following additions to our previous letter in the hope of clarifying those issues.

Section 212B(2) addition

Intellectual Property of any type, including property protected by patents and trade marks, is accorded the same protection against expropriation provided under the constitution for other types of property. There are no disputes involving U.S. citizens and the Government of Dominica arising out of the nationalisation of property.

Section 212B(3) addition

There are no instances in which our Government has failed to act in good faith in recognising as binding or in enforcing such arbitral awards in favour of U.S. citizens or companies.

Section 212C(5) addition

The Government of Dominica will keep under review its fiscal incentives related to exports, with the objective of avoiding distortions in its international trade. The Government of Dominica agrees to consult with the United States Government if the U.S. believes that any trade promotion practices of the Government of Dominica have a trade-distorting effect. The Government of Dominica will also avoid the use of any performance requirements which would distort trade with the United States.

Section 212(C) addition

(9) in the interim, the Government will provide adequate and effective protection of intellectual property rights held by foreign nationals.

We also request that the following paragraph be added to our letter:

The Government of Dominica understands that the Caribbean Basin Economic Recovery Act recognises the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. The Commonwealth of Dominica agrees to notify the United States in the event of changes if any of the policies or practices discussed above might prove to be inconsistent with any of the designation criteria of the

U.S. Law. The Government of Dominica would be prepared to consult with the United States Government upon request concerning such changes.

M. EUGENIA CHARLES,
Prime Minister.

OFFICE OF THE PRIME MINISTER,
Commonwealth of Dominica, West Indies, September 29, 1983.

Hon. WILLIAM E. BROCK,
U.S. Representative, Office of the U.S. Trade Representative, Washington, D.C.

DEAR MR. AMBASSADOR: In my previous letter indicating the Commonwealth of Dominica's desire to be designated as a beneficiary under the "Caribbean Basin Economic Recovery Act", I had indicated that another letter would follow, in which I would give a response to the criteria for designation as set out in the legislation. It is with regard to that undertaking that I now communicate with you.

Allow me to start this letter by expressing my personal belief that there shall be no difficulty with the designation of the Commonwealth of Dominica as a beneficiary country under the Act. In the event that there were to be any minor difficulty, the Government of the Commonwealth of Dominica would be willing to initiate action aimed at eliminating such difficulty.

I now wish to discuss in greater detail each of the aspects of the criteria for designation and to explain how each is satisfied by the Commonwealth of Dominica.

Section 212(B)(1)

Dominica is not a Communist country and the policies, principles and philosophy of my Government as well as that of the Dominica Freedom Party of which I am Political Leader, are well known.

Section 212(B)(2)(A). Expropriation

With reference to the section of the Act which deals with expropriation, I must indicate that the Commonwealth of Dominica respects the right of the individual in his ownership of property. It is well known that Dominica has not nationalized, expropriated or otherwise seized ownership or control of assets or property belonging to a United States Citizen or Corporation as defined in the Act. In any case of expropriation or nationalization, the private party, whether U.S. or not, would be protected by the law of Dominica. This principle is of long standing in the Commonwealth of Dominica and dates back to the colony status of the country. In addition, the Constitution of the Commonwealth of Dominica, Section 6, is specific on the matter. This is further reinforced by the land Acquisition Ordinance Cap. 170 of the Revised Laws of Dominica, 1961, as amended by Acts Nos. 27 of 1976 and 9 of 1971.

These laws provide that expropriation may only be undertaken for a public purpose and provide for legal protection and adequate compensation. The Constitution of the Commonwealth of Dominica, Section 6, paragraph 6, subsections a(i) and (viii) and subsections b(i) to (iv) state clearly for what reasons any property can be acquired. The High Court has jurisdiction in the determination of the validity of expropriation and in matters of compensation. No person who is entitled to compensation can be prevented from remitting, within a reasonable time after he has received any amount either in money or such other form that he has converted to money, the whole of that sum of money (free from any deduction, charge or tax made or levied in respect of its remission) to any country of his choice outside Dominica.

The Land Acquisition Act is the only specific law which exists in Dominica, apart from the Constitution, which deals with expropriation. By the same token, Dominica has taken no steps to repudiate or nullify any "bona fide" contract or agreement, patent, trademark or other intellectual property within the meaning of the Act nor has it imposed or enforced taxes or other exaction, restrictive maintenance or operational conditions, or other measures, the effect of which is to nationalize, expropriate or otherwise seize control or ownership of property defined in the Act.

Section 212(B)(3). Arbitral Awards

Dominica has not failed to act in good faith in recognizing as binding any arbitration award with regard to persons or entities as specified in the Act. On the matter of arbitral awards, our laws and regulations governing that matter are based on some old laws of the United Kingdom. As a matter of fact, Chapters 2 and 3 of the Laws of Dominica 1961 adopt for Dominica, the U.K. Arbitration Act, 1889 (52 & 53 VICT C. 49), the Arbitration Clauses (Protocol) Act, 1924 (14 & 15 Geo. V. C. 39) and the Arbitration (Foreign Awards) Act, 1930 (20 Geo. V. C. 15), in the case of the latter with slight modifications.

Dominica also abides by the regulations of the International Chamber of Commerce which deal specifically with arbitral awards. According to practice, the parties—the foreign investor and the Commonwealth of Dominica—would agree jointly on the procedures for litigation.

In general, the laws of Dominica are adequate to assure that any arbitration award would be recognized as binding within the meaning of the Act.

Section 212(B)(4). Reverse Trade Preferences

The Commonwealth of Dominica does not provide preferential treatment to the products of any developed country. Furthermore, it is the policy of Dominica not to enter into any agreement which would require it to do so.

Section 212(B)(5). Government Entity Broadcasting of Copyright Materials

No entity owned by the Government of the Commonwealth of Dominica is engaged in the broadcast of copyrighted material belonging to United States copyright holders without their express consent. Moreover, it is our intent in the future not to do so. Act No. 33 of 1975 as amended by Act No. 32 of 1978, establishes a public Corporation for broadcasting and brings the Corporation directly under Government's control.

Section 212(B)(6). Co-operation on Narcotics Matters

The Government of the Commonwealth of Dominica fully shares the concern of the Government of the United States on the serious problem of the production, distribution, use, abuse and other dangers related to narcotics. We have always in the past co-operated fully with the United States in attempting to deal with this threat to the well being of the citizens of both countries. In the first case, our regulations stipulate that drugs shall not be cultivated or produced within our country.

We detain, charge and try citizens of our country who do so. Moreover, we try nationals of the United States and other countries who, for instance, while apparently on vacation attempt to make purchases of narcotics for the purpose of smuggling these into their home countries. In the past, we have always prohibited and attempted to prevent all individuals, nationals of the U.S. or not, from using narcotics while within our jurisdiction. We expect to continue such a policy in the future.

In an attempt to better handle the narcotics problem, we have sought and obtained assistance from the Government of the United States. We have been particularly pleased at the assistance which the United States has provided us in this field. The assistance has been mainly in the form of training. Dominican law enforcement officers have travelled to the U.S. for training. Our increasing capacity to handle the narcotics problem is evidence of the extreme usefulness of that type of training. We are now able to better combat this problem domestically and to contribute to international narcotics control. Another area of U.S. assistance, which is current, is aerial survey to identify and quantify the extent of marijuana proliferation on the island. The follow-up shall be in the form of assistance in the determination and implementation of eradication strategies. Also, the Commonwealth of Dominica and the U.S. have shared intelligence and Dominica has secured marine training help in the Panama Canal Zone. We look forward to continued co-operation and assistance. In short, the Government of the Commonwealth of Dominica takes adequate steps to control narcotics.

Section 212(B)(7). Extradition

As regards extradition, Dominica has, by letter of 23rd December, 1982, informed the Secretary General of the United Nations that treaties previously entered into by the United Kingdom Government on behalf of the Commonwealth of Dominica while it was an Associated State would continue to apply. The Extradition Treaty of 1972 between the United States and the United Kingdom is one such treaty. The Commonwealth of Dominica is therefore a party to that treaty and fully enforces all its provisions. The Commonwealth of Dominica has also enacted its own legislation on the matter—the Extradition Act of 1980—which further reinforces our intention and ability to co-operate with countries like the United States on matters of extradition. The Extradition Act enables Dominica to fully honour the 1972 Treaty as well as to provide protection for all other Commonwealth countries.

Section 212(C)(1). Desire to be Designated

I have already declared the Commonwealth of Dominica's desire to be designated as a beneficiary under the Caribbean Basin Economic Recovery Act. It is, however, necessary for me to reiterate that desire before I discuss economic and trade issues falling under the Act. I am of the opinion that, given our developmental status, the Recovery Act is an important tool for economic co-operation.

Section 212(C)(2). Economic Conditions

The Commonwealth of Dominica's economic condition is sufficiently well known. Our increasing requests for Official Development Assistance (O.D.A.) and our constant search for concessionary aid funding gives an indication of our position. So also do our relationship with the International Monetary Fund and the World Bank, as well as our recognized status as one of the more undeveloped small island economies.

Sections 212(C) (3), (4), and (5): (C)(3) Access to Markets; (C)(4) Acceptance of International Trade Rules; (C)(5) Export Subsidies, Performance Requirements, Local Content

The Commonwealth of Dominica, with the exception of preferences to other Caricom member states, provides non-discriminatory access to its market. In this regard, U.S. concerns would not be discriminated against. U.S. goods would receive treatment identical to those of other countries with the exceptions made for Caricom. The trade aspects of the Act are of extreme importance and require some discussion.

The Commonwealth of Dominica, while not a signatory to the General Agreement on Tariff and Trade (GATT), applies the Agreement's rules and principles de facto. Along with other developing countries, particularly those of the Organisation of Eastern Caribbean States (OECS) the Commonwealth of Dominica is seriously studying the possibility of becoming a signatory to the Agreement. We already subscribe to the "most favoured nation" (MFN) concept. In addition, we embrace the principle of notification and consultation with trading partners; e.g. Canada under the Canada/Caricom Treaty and the European Economic Community under the ACP-EEC Convention of Lome. We, however, use the permitted exception in our relationship under the Caribbean Community and the Caribbean Common Market.

We apply most of the other principles of the Agreement and seek to limit protective measures to tariffs. However, to protect certain infant industries and in keeping with regulations under the East Caribbean Common Market, we have instituted a licensing system for specified commodities; S.R.O. No. 10 of 1982 specifies the list of commodities for which licences are required. Any tariff protection accorded is given under the common external tariff as applicable to the OECS/CARICOM. The licensing scheme also is used for monitoring purposes. However, we have not used the scheme for balance of payments purposes.

Foreign investment is encouraged and actively sought. Substantial incentives are provided. The key element in the incentive package, which has been legislated in the form of a Fiscal Incentives

Act, is the specification of maximum corporate income tax "holidays". The length of the "holiday", which normally ranges between 10 and 15 years, depends on a number of factors. One factor is the percentage of local value added. The greater the percentage of local value added the longer the "holiday" period; the rationale being that the greater the local value added the greater the boost to the domestic economy and economic development. For instance, with local value added of 50 percent or more, a tax holiday of 15 years is granted, while 10-year holidays or less are furnished in instances where local value added is between 10 and 15 percent. In addition, the country accords up to 15-year holidays to enclave industries—those industries producing mainly for export markets. In furnishing the incentive to enclave industries, the state is recognizing the importance of foreign exchange generation. Dominica also accords 15-year holidays where capital investment is substantial—a minimum of $9.3 million; a large initial contribution commits the manufacturer to the recipient state.

In addition to tax holidays, Dominica provides other incentives. During the holiday period, enterprises are allowed to import duty-free raw materials, machinery, plant, equipment and spare parts. Dominica also will grant work permits freely where specific skills are absent. Investors, for the most part, are permitted unimpeded repatriation of capital, profits and dividends. Finally, foreign investors have free access to imported inputs.

Our country provides no export subsidies and imposes no export performance requirement on foreign or domestically-owned manufacturers. In addition to the fiscal incentives noted above, we do, however, offer export incentives to manufacturers based on value of exports as a percent of total production. These rates are all determined by the CARICOM Harmonization of Fiscal Incentives Agreement, and the Income Tax Act.

Section 212(C)(6). Regional Revitalization

The regional and subregional integration movements provide important links for Dominica. Consequently, the Commonwealth of Dominica is a full member of both CARICOM and the Organization of East Caribbean States. We firmly believe that the success of CARICOM and the OECS in the promotion of the Economic Development of their member states shall contribute to the revitalization and economic growth of the wider region.

Section 212(C)(7). Self-Help

Over the past several years, marked improvements have been made in Dominica's investment climate. An austerity program has played the key role, encouraged by a 1981 three-year $11 million Extended Fund Facility (EFF) agreement with the IMF to which Dominica has adhered. The most important elements in the program have consisted of fiscal restraints and increased reliance on the private sector and free market forces. The public finances have been strengthened through:

(a) placing curbs on expenditure;

(b) hiking some taxes and controlling more rigidly tax assessments and collections; and

(c) reducing transfers to the parastatals.

Other efficiencies have been introduced through consolidation of various government entities. The government is also limiting borrowing from the country's commercial banking system; such borrowing can "crowd out" private sector activities by reducing liquidity in the banking system. We also are in discussion with the World Bank on the subject of a structural adjustment program with the relevant financing components. Traditionally, the country has not financed government expenditures through "printing money". In addition, the government has not used foreign exchange controls or extensive use of administered pricing.

In addition to these fiscal measures, Dominica has introduced other reforms. The Industrial Development Corporation has been placed under the leadership of the private sector and actively sought increased foreign and domestic private sector investment. We had over a period of time located a national at the UNIDO office in New York, with responsibility for promotion. We offer assistance in the form of fiscal incentives, assistance to the tourism sector, and other such forms of assistance. The Government of the Commonwealth of Dominica has set up two joint public/private sector committees to deal with matters affecting the private sector. The first is a review committee comprised of government officials and private sector representatives. This committee reviews specific issues, particularly those affecting the relationship between public sector bureaucracy and the private sector. The second is a policy committee comprised of the Cabinet of the country and private sector representatives. Policy issues shall be discussed in that body on a regular basis.

All these measures are aimed at establishing a climate within which a vibrant private sector can thrive. I am of the opinion that we are taking the appropriate measures to build the relevant ambiance through which we can attract investment both from the domestic and the foreign private sector.

In the area of trade liberalization, I have already indicated that we have commitments under CARICOM, and OECS and that we try to offer some protection for our infant industry. Beyond that, we operate an open market which can be accessed by foreign business.

Section 212(C)(8). Workers' Rights

The Government of the Commonwealth of Dominica is extremely concerned over the condition of the human being. We consider that employment is a right and that the conditions of employment must not rob an individual of his humanity or dignity. For these reasons, we have been and shall continue to attempt to create employment and to enforce regulations protecting the workers of our country. Our Constitution (1978 Constitution, Section II) grants every individual the protection of freedom of assembly and association. No authority can prevent the formation of trade unions established for legal purposes in the Commonwealth of Dominica. The right of workers to organize and bargain collectively is fully protected in Dominica by both custom and statute. I have already referred to the Constitution. I must now make reference to the Industrial Relations Act No. 35 of 1975 as amended by 5 of 1976, 8 of 1977 and 16 of 1977, 6 of 1979 and 13 of 1979. This Act sets our regulations governing the existence and operations of bargaining agents on behalf of workers. Regulations affecting recognition, collective bargaining and industrial agreements, settlement of disputes, unfair practices, offences and penalties are all included in Act No. 35 of 1975, and the Act is fully operational.

Act No. 3 of 1983 provides regulations for the "safety and health of persons employed upon or in connection with any business and for the provision therefore of safety measures in the operation or use of plant, machinery, equipment and premises used in connection with the operation of any business" (Section 6(i)). Provisions are made for the Minister to establish consultative or advisory committees and to designate safety officers. Our regulations when examined in detail undoubtedly reveal our deep concern for the workers of our country.

In addition to those measures already discussed, the Government of the Commonwealth of Dominica has introduced the Labour Standards Act No. 2 of 1977, the Labour Contracts Act No. 12 of 1983 and the Protection of Employment Act No. 1 of 1977 as amended by Acts 3 of 1978, and 4 of 1983. These measures are all in place to ensure basic minimum and, when applicable, the appropriate conditions for workers.

A Social Security scheme exists to provide medical and retirement benefits as well as some other benefits.

Section 212(C)(9). Intellectual Property

In the case of copyrights, the Revised Laws of Dominica 1961, Cap. 319, deals specifically with that matter. The laws of Dominica refer to the Imperial Copyright Act of 1911 (1 and 2 Geo. V. Cap. 46). This means that the British act has equal legal validity in Dominica. Allowance is made for registration of copyrights upon application to the Registrar. Foreign products and processes are covered and protection is extended to them. One can obtain an injunction and also seek redress through the courts for infringements. The length of validity of a copyright is 14 years and may be renewed upon application. Copyrights registered by the Registrar are publicly advertised either in the Official Gazette or in a local newspaper having wide circulation.

Patents are covered by Cap. 324 of the Revised Laws of Dominica 1961. Application for a Patent must be made to the Registrar's office. The Registrar shall give notice to the applicant if the Patent has been granted and shall cause such grant to be published in the Official Gazette. There is allowance for notice of objection. These cases can be decided by the Registrar. Particulars required for the registration of a Patent are given in Section (3), paragraphs 49–66 inclusive of Cap. 324. A Patent is granted for 14 years and may be renewed on application. The Patentee may take civil action in case of infringement and can seek an injunction to prevent further damage during litigation. The High Court decides on those matters.

In the case of Trade Marks, Cap. 332 of the Revised Laws of Dominica deals with that matter. An application for registration of a Trade Mark must be made to the Registrar. Part II of that Cap. 332 indicates the procedure for application. The Registrar causes the application to be advertised in accordance with Part III of Cap. 332. If the applicant is successful, the Trade Mark is registered for

14 years. A civil action may be taken to decide matters of infringements. An injunction against further damage can be secured from the High Court. Refusal by the Registrar to register a Trade mark is subject to appeal to the High Court.

The measures applicable to Dominica are all patterned on old English legislation. As part of an overall legislative review, the Government of the Commonwealth of Dominica is currently examining its regulations with respect to Trade Marks, Patents and Copyrights with an eye towards enhancing protection.

Section 212(C)(10). Private Broadcast of Copyright Material

A cable network and two video concerns, all of which are privately owned, are using U.S. material. The Commonwealth of Dominica's laws, as noted earlier, however, protect foreign copyrights, including those of the United States and these laws extend to the broadcast of films or television.

The cable network has substantial U.S. equity participation, while the two privately owned video concerns are not operated for financial gain. The cable network has been attempting to receive permission from U.S. companies to use some of their programs. Dominica, however, has not been able so far to obtain permission from the U.S. cable companies because the cable companies have not obtained permission from the United States copyright proprietors to exhibit their programs outside the United States. Nonetheless, a portion of the monies collected by the cable network from users is being placed aside for the payment of any licences or royalties. In any case, after registration of a Copyright, the U.S. company would have, under Dominica laws, recourse to the courts.

The Commonwealth of Dominica is an extremely small state with one local newspaper and one local radio station, the hours of broadcasting of the latter being restricted by availability of finance. The news coverage aspect of the services provided by our domestic network keep us informed of the United States. Our people are exposed to U.S. views, policies and opinions, and that serves to bring our countries closer together. It is my opinion that the matter of private broadcasting of U.S. programs has an overall net benefit and should not be allowed to stand in the way of our being designated as a beneficiary under the Caribbean Economic Recovery Act. We are in constant communication with the relevant U.S. concerns in an attempt to find a solution. We shall continue and intensify our efforts.

Section 212(C)(11). Co-operation in Administration

The Government of the Commonwealth of Dominica is fully prepared to co-operate with all reasonable procedures aimed at maintaining the integrity of the Caribbean Basin Economic Recovery Act trade provisions. This would include, but not be limited to, appropriate certification procedures, monitoring compliance and provision of information. At this juncture, the Ministry of Finance would be the entity responsible.

I have given what I consider to be a rather detailed discussion and declaration of intent on the major determinants for designation. I am certain that the Government of the United States shall not have any difficulty in designating the Commonwealth of Dominica as a beneficiary under the Caribbean Basin Economic Recovery Act.

Please accept assurances of my highest esteem.

BRIAN G. K. ALLEYNE,
Ag. Prime Minister.

MINISTRY OF FOREIGN AFFAIRS,
Barbados, November 15, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the U.S. Trade Representative, Washington, D.C., United States of America.

DEAR MR. AMBASSADOR, I wish to refer to my letter No. 1161 Vol. III dated September 30, 1983 and the Memorandum outlining Barbados' position with regard to the criteria required for designation as a beneficiary country provided for in the Caribbean Basin Economic Recovery Act.

The Government of Barbados understands that after receiving the Memorandum, the Government of the United States of America has a number of questions regarding the fulfilment by Barbados of certain designation criteria of the Act.

The Government of Barbados has therefore prepared an Addendum to the Memorandum which is attached hereto. It is hoped that the information in the Addendum will clarify the issues raised.

Please accept, Sir, the assurances of my highest consideration.

NIGEL A. BARROW,
Acting Minister of Foreign Affairs.

[Addendum to Memorandum of September 30, 1983]

CRITERIA FOR DESIGNATION AS A BENEFICIARY COUNTRY AS PROVIDED UNDER THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT

Section 212 B (1)—Addition

Barbados is a parliamentary democracy.

Section 212 B (2)—Addition

Intellectual property of any type, including property protected by patents and trademarks, is accorded the same protection against expropriation provided under the Constitution for other types of property. There are no disputes involving U.S. citizens or citizens of any other country and the Government of Barbados arising out of the nationalization of property.

Section 212 B (3)—Addition

There are no instances in which the Government of Barbados has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards in favour of U.S. citizens or companies or citizens or companies of any other country.

Section 212 B (4)—Addition

Delete the words "adheres to the principle of non-reciprocity with respect to trading with developed countries and" appearing in lines 1, 2, and 3.

Section 212 C (3)—Addition

The Government of Barbados will continue to maintain an open non-discriminatory trading regime which does not unduly restrict trade with the United States. The Government of Barbados wishes to assure the United States that it will not restrict the United States from being eligible on a non-discriminatory basis from any access to basic commodity resources of Barbados.

Section 212 C (4)—Addition

In conformity with its international obligations, the Government of Barbados will notify the United States on a reciprocal basis with regard to the introduction, modification or extension of any measures taken for these purposes. Wherever practical, the Government will inform the United States of a time schedule for the removal of such measures.

Section 212 C (5)—Addition

The Government of Barbados will keep under review its fiscal incentives related to exports, with the objectives of avoiding distortions in its international trade. The Government of Barbados agrees to consult with the United States Government if the United States believes that any trade promotion practices of the Government of Barbados have a trade-distorting effect. The Government of Barbados will also avoid the use of any performance requirements which would distort trade with the United States.

Section 212 C (9)—Addition

The Government of Barbados will provide adequate and effective protection of Intellectual property rights for foreign nationals.

Addition to Memorandum

The Government of Barbados understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. Barbados agrees to notify the United States in the event changes in any of the policies or practices discussed above might prove to be inconsistent with any of the designation criteria of the U.S. law. The Government of Barbados would be prepared to consult with the United States Government upon request concerning such changes.

MINISTRY OF FOREIGN AFFAIRS,
Barbados, September 30, 1983.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State,
Washington, D.C., United States of America.

DEAR MR. SECRETARY, I should like to express the pleasure of the Government of Barbados at the passage by the United States Congress of the Caribbean Basin Economic Recoverey Act, and to notify you that Barbados wishes to be designated as a beneficiary country for the purposes of the Act.

In presenting this notification, a Memorandum is attached hereto outlining Barbados' position with regard to the criteria required for designation as a beneficiary country as provided for in the Act.

Please accept, Sir, the assurances of my highest consideration.

NIGEL A. BARROW,
Acting Minister of Foreign Affairs.

[Memorandum, September 30, 1983]

CRITERIA FOR DESIGNATION AS A BENEFICIARY COUNTRY AS PROVIDED FOR UNDER THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT

The criteria for designation as a beneficiary country as provided for under the Caribbean Basin Economic Recovery Act as it applies to Barbados are set out hereunder:

SECTION 212

(B)(2)—Expropriation

Section 16(1) of the Constitution of Barbados expressly prohibits the expropriation or other like seizure of property of persons within Barbados.

The Section reads as follows:

PROTECTION FROM DEPRIVATION OF PROPERTY

16. (1) No property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except by or under the authority of a written law, and where provision applying to that acquisition or taking of possession is made by a written law—

(a) prescribing the principles on which and the manner in which compensation therefor is to be determined and given; and

(b) giving to any person claiming such compensation a right of access, either directly or by way of appeal, for the determination of his interest in or right over the property and the amount of compensation, to the High Court.

(2) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this Section—

(a) to the extent that the law in question makes provision for the taking of possession or acquisition of any property—

(i) in satisfaction of any tax, duty, rate, cess or other import;

(ii) by way of penalty for breach of the law or forfeiture in consequence of a breach of the law;

(iii) as an incident of a lease, tenancy, mortgage, charge, bill of sale, pledge, contract, grant, permission or licence;

(iv) in the execution of judgements or orders of a court in proceedings for the determination of civil rights or obligations;

(v) in circumstances where it is reasonably necessary so to do because the property is in a dangerous state or injurious to the health of human beings, animals or plants;

(vi) in consequences of any law with respect to the limitations of actions; or

(vii) for so long only as may be necessary for the purposes of any examination, investigation, trial or inquiry or, in the case of land, for the purposes of the carrying out thereon of work of soil conservation or the conservation of other natural resources or work relating to agricultural development or improvement; or

(b) to the extent that the law in question makes provision for the taking of possession or acquisition of—

(i) enemy property;

(ii) property of a deceased person, a person of unsound mind or a person who has not attained the age of twenty-one years, for the purpose of its administration for the benefit of the persons entitled to the beneficial interest therein;

(iii) property of a person adjudged insolvent or a body corporate in liquidation, for the purpose of its administration for the benefit of the creditors of the insolvent person or body corporate and, subject thereto, for the benefit of other persons entitled to the beneficial interest in the property; or

(iv) property subject to a trust, for the purpose of vesting the property in persons appointed as trustees under the instrument creating the trust or by a court, by order of a court, for the purpose of giving effect to the trust.

(3) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision for the orderly marketing or production or growth or extraction of any agricultural product or mineral or any article or thing prepared for market or manufactured therefor or for the reasonable restriction of the use of any property in the interest of safeguarding the interests of others or the protection of tenants, licensees or others having rights in or over such property.

(4) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or incontravention of this section to the extent that the law in question makes provision for the compulsory taking possession in the public interest of any property, or the compulsory acquisition in the public interest of any interest in or right over property, where that property, interest or right is held by a body corporate established directly by law for public

purposes in which no monies have been invested other than monies provided by Parliament or by any Legislature established for the former Colony of Barbados.

In this connection, the Land Acquisition Act, Cap. 228 provides for the acquisition of land for public purposes, and for compensation in respect of the compulsory acquisition of the land to be paid to the owner thereof. Compensation payable under the Act is determined by Agreement, or in default, by a Judge.

In this regard it should be noted that in June, 1982 Mobil Oil Exploration Barbados Limited offered its assets for sale to the Barbados Government, which were purchased at a price satisfactory to both parties.

(B)(3)—Arbitral Awards

The Arbitration Act, Cap. 110 makes provision for effecting the terms of Arbitration agreements entered by parties to submit present or future differences to arbitration, whether an arbitrator is named therein or not.

In addition, there is the Foreign Arbitral Awards Act 1980 which gives effect in Barbados to the New York Convention on the recognition and enforcement of Foreign Arbitral Awards as adopted by the United Nations Conference on International Commercial Arbitration on June 10, 1958.

(B)(4)—Reverse Trade Preferences

Barbados being a developing country adheres to the principle of non-reciprocity with respect to trading with developed countries and does not give preferential treatment to the products of any developed country. Therefore the policy is not to enter into any such agreements with developed countries.

(B)(5)—Government Entity—Broadcasting of Copyrighted Material

No entity owned by the Government of Barbados is engaged in nor will it be engaged in the broadcast of copyrighted material belonging to international copyright holders without their express consent.

(B)(6)—Cooperation on Narcotics Matters

The concern of the United States Government about the serious problem of narcotics is fully shared by the Government of Barbados. Barbados has cooperated fully with the international community, and will continue to do so in its effort to deal with this threat to the well-being of the citizens of all countries, especially in the exchange of intelligence. To this end the Narcotic Drugs Act, Cap. 140A restricts the importation and exportation of narcotic drugs and the manufacture, sale, use and possession of narcotic drugs without authorisation.

Barbados has been particularly pleased with the technical assistance that the United States of America has given. This has enabled Barbados to better combat the problem domestically and to contribute to international narcotics control efforts.

(B)(7)—Extradition

The treaty for the mutual extradition of fugitive criminals between Great Britain and the United States of America signed on December 22, 1931 is applicable to Barbados and is in force between the United States of America and Barbados. In this connection there is the Extradition Act 1979 which—

(a) provides uniform proceedings for the return of fugitives from other states irrespective of whether a fugitive is from a Commonwealth country or a foreign state; and

(b) adopts the principles relating to the rendition of fugitive offenders within the Commonwealth as formulated by the Law Ministers of the Commonwealth of 1966 and generally accords with current international practice regarding the return of fugitives.

212(C)(1)—Desire to be Designated

Barbados wishes to be designated as a beneficiary under the Caribbean Basin Economic Recovery Act.

TRADE

(C)(3)—Access to Markets

Barbados being a member of the Caribbean Common Market Treaty (CARICOM) offers duty-free treatment to goods originating within the Common Market Countries. However, as far as Third World Countries are concerned, there is non-discriminatory access to our market. The Government's industrial and business policy encourages and promotes foreign investment.

(C)(4)—Acceptance of International Trade Rules

Barbados is a signatory to the General Agreement on Tariffs and Trade (GATT) and as such abides by the provisions of the Agreement. In this regard, Barbados adheres to the "most favoured nation" principle with the permitted exception relating to Common Markets such as the CARICOM. Barbados also subscribes to the principles of notification and consultation as perceived and practised by the Contracting Parties. In general, Barbados seeks to limit protective measures to tariff. However, a licensing system is used to assist certain infant industries to establish themselves as well as to safeguard our foreign exchange reserves and our balance of payments position. Under the Tokyo Round Multilaterial Trade Negotiations (MTN's) it was recognised that non-tariff measures had become a major obstacle to free trade. Consequently, a number of codes for the fair conduct of international trade were devised and agreed to by the Contracting Parties. Accession by Barbados to these codes is under active consideration.

(C)(5)—Export Subsidies, Performance Requirements, Local Content Requirements

At the present time Barbados provides no export subsidies and imposes no export performance requirements or local content requirements on foreign or domestic manufacturers. Certain levels of local value added are required in order for a manufacturer to qualify for certain income tax and customs concessions under the Fiscal Incentives Act, Cap. 71A.

(C)(6)—Regional Revitalisation

Barbados is a full member of the Caribbean Community and Common Market and hence supports its aims and objectives. Barbados is convinced that CARICOM is the prime mechanism to promote economic development among its members and we are therefore committed to the deepening of the integration movement.

(C)(7)—Self Help

The main elements of our programs for promoting the development of the manufacturing sector, including promotion of domestic and foreign investment and the creation of a positive business environment in Barbados are noted hereunder—

The principal institutional framework is demonstrated by the presence of the Barbados Industrial Development Corporation, the Barbados Export Promotion Corporation, the Barbados Development Bank, the Central Bank of Barbados, the Barbados Institute of Management and Productivity. These institutions work in harmony to stimulate, facilitate and undertake industrial development in Barbados.

The Barbados Industrial Development Corporation's (IDC's) main activities and programmes revolve around its investment promotion function which is undertaken from offices in Barbados, New York and Brussels. In its overseas promotion, the IDC sets out to attract foreign investors to Barbados by the offer of a special package of fiscal incentives including a ten year tax holiday. Local entrepreneurs are also eligible for fiscal incentives and benefit from special assistance which are provided, organised or financed by the IDC.

The IDC develops industrial estates and constructs factories and makes them available to investors for purchase, lease or rental. Nine Industrial Parks have been developed and approximately 1.6 million square feet of industrial accommodation has been constructed to date.

A highly targeted company specify approach to foreign investment promotion will be adopted shortly. A strategy study has identified electronics, medical supplies, information services and the apparel industry as the main industry groups for investment promotion.

Greater promotion of Barbados is being undertaken as an International Business Centre and for the establishment of Exempt Insurance Companies, Offshore Banks and Shipping Registration. The relevant Acts are as follows:

> The International Business Companies (Exemption from Income Tax) Act, Cap. 77; The Offshore Banking Act, 1979; The Exempt Insurance Act, 1983; The Shipping Act, 1981; The shipping Incentives Act, 1982.

The well developed infrastructure, especially the excellent telecommunication network, modern sea and air ports and good ground transportation services render the Barbados business environment a positive and healthful one for local and foreign businessmen.

(C)(8)—Workers Rights

Persons in Barbados are given protection of freedom of assembly and association by section 21 of the Constitution which states—

PROTECTION OF FREEDOM OF ASSEMBLY AND ASSOCIATION

21(1) Except with his own consent, no person shall be hindered in the enjoyment of his freedom of assembly and association, that is to say, his right to assemble freely and associate with other persons and in particular to form or belong to political parties or to form or belong to trade unions or other associations for the protection of his interests.

(2) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision—

(a) that is reasonably required in the interests of defence, public safety, public order, public morality or public health; or

(b) that is reasonably required for the purpose of protecting the rights or freedoms of other persons; or

(c) that imposes restrictions upon public officers or members of a disciplined force.

The workers rights are further protected by the Trade Unions Act, Cap. 361, which in section 40A, deems as an offence any action by an employer adversely affecting the interest of an employee because of the employees trade union activities.

A high percentage of workers in both the private and public sectors are presently members of trade unions, and in general employers voluntarily recognize and negotiate with the accredited trade unions representing their workers.

Workers health and safety are protected by statute, the most important of which are the Factories Act, Cap. 347 and the Regulations made thereunder, the Shops Act, Cap. 356. The new and more comprehensive Factories Act, 1982 will, when proclaimed, repeal and replace Cap. 347.

Workers are also entitled to a fairly comprehensive network of social security benefits. Under the National Insurance and Social Security Scheme, the contributions are met jointly by workers and employers. Workers are entitled to sickness, maternity, employment injury and unemployment benefits and retirement pensions. A Severance Payment Scheme under the Severance Payments Act, Cap. 355A there is established a Severance Fund to which contributions are made by the employer to provide severance payments to workers who become redundant.

The Holidays with Pay Act, Cap. 348 requires that workers be granted three weeks vacation leave with pay annually, increasing to four weeks after five years service. Deduction from workers' wages is also regulated by the Protection of Wages Act, Cap. 351.

(C)(9)—Intellectual Property

The law of Barbados respecting patents and trade marks is presently to be found in the Patents Act, Cap. 314 and the Trade Marks Act, Cap. 319 of the Laws of Barbados 1971-1978. However by reason of modern technological advancement those statutes have now become inadequate and the Parliament of Barbados in an effort to bring the law of Barbados into accord with international standards enacted, in 1981, the Patents Act, and the Trade Marks Act, which will, when they come into operation on April 1, 1984, repeal and replace the aforementioned statutes. The law of copyright is contained in the Copyright Act, 1981. The details requested are as follows:

Patents Act Cap. 314

1. In accordance with section 47 of the Act the holder or assignee of a patent obtained in a country other than Barbados may obtain letters of registration in Barbados for his invention and those letters of registration have the same force and effect as letters patent issued under the Act.

2. There is no time limit expressed within which a patent must be registered but where the applicant does not leave a complete specification with his application and does not deliver to the Registrar such a specification within nine months after his application the Registrar may extend the time for delivery by a further period of nine months and if no specification is then delivered the Registrar may treat the application as abandoned.

By section 20(1) of the Act a patent is valid for fourteen years and is by section 28(1) renewable for a further term.

3. There is no expressed provision in the Act to facilitate resolution of patent disputes or to discourage protracted litigation. However, it is provided by section 11 of the Act that any person who wishes to oppose an application for the grant of a patent shall give notice to the Registrar and the Registrar may require the person giving the notice to give security to an amount not exceeding one hundred and fifty dollars for the costs of the opposition.

In addition the High Court can also exercise its discretion to require security for costs. By section 35 of the Act it is provided that—

"Where any person claiming to be the patentee of an invention, by circulars, advertisements or otherwise threatens any other person with any legal proceedings or liability in respect of any alleged manufacture, use, sale or purchase of the invention, any person aggrieved thereby may bring an action against him and may obtain an injunction against the continuance of such threats and may recover such damage (if any) as may have been sustained thereby, if the alleged manufacture, use, sale or purchase to which the threats related was not in fact an infringement of any legal rights of the person making such threats."

4. By Section 35(1) a person may be enjoined from threatening groundless legal proceedings and in this respect the High Court also has inherent jurisdiction to put an injunction to prevent or prohibit an infringement.

5. The Act makes no provision for penalties.

Trade Marks Act, (Cap. 319)

1. Sections 15 and 16 of the above mentioned Act grant to a person registered as the proprietor of a trade mark in Part A or Part B of the register in respect of any goods the exclusive right to the use of the trade mark in relation to those goods.

2. There is no time limit for the completion of the registration of a mark, but by section 12(3) of the Act where though the applicant's default registration is not completed within twelve months from the date of the application the Registrar may may give the applicant written notice of the non-completion and unless the applicant completes the application in the time specified in the notice the Registrar may treat the application as abandoned.

3. By section 13 of the Act the registration of a trade mark is valid for a period of seven years, but may be renewed for a period of fourteen years from the date of the expiration of the original registration or last renewal of registration.

4. Any person who uses Royal Arms without authority may be restrained by injunction pursuant to section 48(1) of the Act.

In addition there is the equitable remedy of injunction available to the owner whose mark is infringed.

5. Section 47 of the Act provides a penalty of twenty-four dollars for false representations respecting trade marks.

Patents Act, 1981

The purposes of the Act are—

(a) to protect certain inventions for which patents or other title of protection have been granted or applied for, so that the laws or Barbados will accord with its obligations under

(i) the Paris Convention for the Protection of Industrial Property dated March 20, 1883;

(ii) the Patent Cooperation Treaty done at Washington on June 19, 1970, as revised from time to time; and

(b) to ensure that the Patent law of Barbados will not discourage the use of new technology in Barbados.

1. By Section 5(1) of the Act the grant of a patent for an invention vests in the owner of the patent the exclusive right to prevent any other person from using the invention without the consent of the owner. Similarly by section 5(2) the according of a filing date on the application for a patent for an invention vests in the applicant the exclusive right to prevent any other person from using the invention without the consent of the applicant.

Section 95 of the Act empowers the Minister to provide for reciprocal treatment in relation to applications for patents and for patents to be given to any country that provides, for applications filed in Barbados and patents granted in Barbados, protection similar to the protection given by the Act.

2. There is no time limit within which a patent is required to be registered.

By section 34 of the Act a patent is granted for a period of fifteen years and may be extended for a further period of five years.

3. There is no expressed provision in the Act to facilitate resolution of patent disputes or to discourage protracted litigation. However, under section 77 of the Act a licensee may request the owner of a patent to institute legal proceedings within ninety days of the request and where the owner fails to do so the licensee may institute the proceedings in his own name and the High Court may grant an injunction within the period of ninety days to prevent or

prohibit an infringement. The High Court also has under rules of Court, the power to require security for costs.

4. Section 74 of the Act confers on any person whose exclusive rights under the Act are in imminent danger of being infringed or are being infringed the right to institute proceedings in the High Court for an injunction to prevent the infringement or to prohibit the continuation of the infringement.

5. By section 86 of the Act any person who knowingly infringes any right vested in any other person under the Act is guilty of an offence and liable on summary conviction—

(a) to a fine of $10,000 or to imprisonment for a term of two years, or to both; and

(b) in the case of a continuing offence, to a further fine of $1,000 a day for each day or part of a day on which the offense continues.

Trade Marks Act, 1981

The purpose of the abovementioned Act as provided by section 3 thereof, is to protect trade marks, service marks and collective marks registered under the Act so that the law of Barbados will accord with its obligations;

(a) under the Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks, dated June 15, 1957, as revised from time to time, in the Act called the "Nice Agreement"; and

(b) under the Paris Convention for the Protection of Industrial Property dated March 20, 1883, as revised from time to time, in the Act called the "Paris Convention".

1. By section 5 of the Act the registration of a mark vests in the registered owner of the mark the exclusive right to prevent any other person from using the mark in circumstances that are likely to mislead the public or to affect the interests of the registered owner of the mark. Under section 54 of the Act the Minister may provide that reciprocal treatment be given in relation to marks to which the Act relates to any country that provides similar to marks registered in Barbados.

2. There is no time limit fixed for the registration of a mark; but it will be provided by regulations that where an applicant is not proceeding expeditiously with his application the Director of the proposed Industrial Property Office may give him notice to proceed and if within the time allowed in the notice the applicant fails to communicate with the Director concerning the application the applicant shall be deemed to have abandoned the application.

3. Section 25 of the Act provides that the registration of a mark is valid for a period of ten years from the date of its registration but a registration may be renewed for further consecutive periods of ten years each.

4. By section 52 of the Act the High Court is empowered to enjoin any person who infringes a right vested in any other person.

5. A person who infringes any right vested in any other person is, by section 50 of the Act, guilty of an offence and liable on summary conviction—

(a) to a fine of ten thousand dollars or to imprisonment for a term of two years or to both; and

(b) in the case of a continuing offence, to a further fine of one thousand dollars for each day or part thereof on which the offence continues.

Copyright Act, 1981

The purposes of this Act are as set out in section 3,

(a) to protect, regardless of quality, the proprietary interests in original works of a literary, artistic or scientific character and the proprietary interests in other works derived from or related to literary, artistic or scientific works; and

(b) to accord with the obligations of Barbados under the Berne Convention for the protection of Literary and Artistic Works as revised at Paris on July 24th, 1971, hereinafter referred to as the "Berne Convention".

1. & 2. Section 10 of the Act confers on the author of an original literary, artistic or scientific work the exclusive economic and moral rights respecting the work. Section 12 of the Act confers on translators, compilers and arrangers of works the same economic and moral rights as those conferred on the author of a work.

It is provided by sections 17 and 18 of the Act, that the economic and moral rights vested in an author in respect of a work exist for the life of the author and for the fifty calendar years immediately following the year of his death.

Where a work is published anonymously or under a pseudonym, the author's rights in the work, by virtue of section 19 of the Act, exist for the fifty calendar years immediately following the year in which the work was first published; but, if during that period, the identity of the author of the work is revealed or his identity is no longer in doubt, the rights exist, for such period specified for the duration of economic rights as the circumstances require.

By section 20 of the Act the author's rights in an audio-visual work exist for the fifty calendar years immediately following the year in which the work was first made available to the public; but if the work is not made available to the public within the first fifteen calendar years after the work was completed, the author's rights to the work cease at the end of that fifteenth calendar year.

By section 21 of the Act, the author's rights in a photographic work exist for the fifty calendar years immediately following the year in which the work was first made available to the public.

Section 30 of the Act confers on a performer the exclusive right to prevent any person, without the consent of the performer,

(a) from broadcasting his performace;

(b) from making a recording of his performance; or

(c) from reproducing a recording of his performance.

By section 33 of the Act, the rights vested in a performer under section 30 in respect of a performance exist for the twenty calendar years after the end of the year in which the performance occurred.

Section 35 of the Act confers on the producer of a phonogram the exclusive right to prevent any person, without the consent of the producer,

(a) from making a reproduction of a phonogram the original sound-recording of which was lawfully made in Barbados;

(b) from importing, for the purpose of distribution to the public, a phonogram the original sound-recording of which was lawfully made in Barbados; or

(c) from distributing to the public, whether by sale or otherwise, any reproduction of the phonogram the original sound-recording of which was lawfully made in Barbados.

Under section 36 of the Act the rights vested in the producer of a phonogram under section 35 exist for a period of twenty calendar years immediately following the end of

(a) the year in which the phonogram was first made available in Barbados to the public if it was made available in Barbados; or

(b) if the phonogram is not made available in Barbados, the end of the year in which the original sound-recording for the phonogram was lawfully made in Barbados.

Section 41 of the Act confers on the broadcaster of a broadcast that is lawfully made the exclusive right to prevent any other person, without the broadcaster's consent.

(a) from rebroadcasting the broadcast;

(b) from making a recording of the broadcast; or

(c) from reproducing a recording of the broadcast.

There is no requirement to register a copyright. Under section 50 of the Act the Minister may grant reciprocal treatment in relation to those rights to which the Act relates to any country that provides protection for similar rights in respect of Barbados.

4. By section 49 of the Act any person whose rights under the Act are in imminent danger of being infringed or are being infringed may obtain an injunction to prevent the infringement or to prohibit the continuation thereof.

5. Section 44 of the Act provides for a fine of ten thousand dollars or to imprisonment for a term of twelve months or to both for the infringement of a right; and if the offence is a continuing offence, an additional fine of one thousand dollars for each day or part of a day during which the offence continues.

Any person who, not being the performer or person authorized by the performer, perpetrates a fraud on the peformer is, under section 45 of the Act, liable on summary conviction to a fine of ten thousand dollars or to imprisonment for a term of twelve months, or to both. Under section 46 of the Act a person who without the written consent of the Minister knowingly imports into Barbados or sells, offers or exposes for sale or distributes in Barbados any copies made outside Barbados of

(a) any works of folklore; or

(b) any translations, adaptations, arrangements or other works or transformation of folklore;

is guilty of an offence and liable on summary conviction to a fine of ten thousand dollars or to imprisonment for a term of twelve months, or to both.

In addition to any punishment imposed by a court in respect of a prosecution of an offence in respect of any infringement of a right, fraud on a performer or folklore offence the court may, pursuant to section 47 of the Act, order that all amounts arising out of the offence and received by the accused be accounted for by him and paid to the person entitled under the Act to those amounts and that all copies, recordings, reproductions, duplications, and other infringing matrial obtained from and all implements or devices used in, the commission of the offence be seized and disposed of as the court may direct having regard to the persons whose rights were infringed and the extent of that infringement.

PUBLIC NOTICE—PATENTS ACT, 1903-7, CAP. 314

A64:034

Notice is hereby given that ———————— lodged in this Office an application and ———————— specification for a patent under the Patent Act 1903(1903-7), for an invention for ————————.

The said Specification has been accepted and is open to public inspection at this Office.

Registrar, Registration Office.

BARBADOS

A64:029

Take notice that ———————— has applied for the registration of a trade mark in Part "A" of Register in respect of ———————— and will be entitled to register the same after one month from the —— day of ———————— 19— unless some person shall in the meantime give notice in duplicate to me at my office of opposition of such registration. The trade mark can be seen on application at the Registration Office, Law Courts, Bridgetown.

Dated this —— day of ———————— 19—.

Registrar of Trade Marks.

Similarly an Industrial Design Act was enacted in 1981. The purpose of this Act is to protect applications made for the registration of industrial designs under the Act so that the Laws of Barbados will accord with its obligations under the Paris Convention for the protection of Industrial Property of March 1883. The registration of an industrial design vests in the registered owner of the design the exclusive right to prevent other persons from performing certain stipulated acts.

(C)(10)—Private Broadcast of Copyright Material

Barbados has deposited its Instruments of Accession to the following intellectual property conventions:

(i) the Universal Copyright Convention of 24th July 1971;

(ii) the Berne Convention for the Protection of Literary and Artistic works; Paris Act of 1971;

(iii) the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, October 1961;

(iv) the Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms, Geneva 1971.

Governmental authorities such as the Police and Customs carry out the necessary surveillance functions in regard to the piracy of copyright material and it is expected that concerned private interest will take the appropriate action under the laws to address this problem.

(c)(11)—Cooperation in Administration

Barbados will cooperate with all reasonable procedures aimed at maintaining the integrity of the trade provisions of the Caribbean Basin Economic Recovery Act in particular the appropriate certification procedures, monitoring compliance and providing trade information.

The Ministry of Trade and Industry under whose portfolio the subject of the CBI falls will be the focal point for the administration of matters relating to the Caribbean Basin Economic Recovery Act.

PRESIDENCIA DE LA REPUBLICA
REPUBLICA DE COSTA RICA

San José, noviembre 14, 1983

Mr. George Shultz
Secretario de Estado

Señor
William Brock
Representante Comercial
Estados Unidos de América

Estimados señores:

Adjunto a la presente nos permitimos incluir la solicitud del Gobierno de Costa Rica para su designación como país beneficiario de la Iniciativa de la Cuenca del Caribe.

Hemos incluído el texto original y la traducción no oficial en inglés y español respectivamente.

Quedamos en espera de su respuesta,

Atentamente,

Lic. Carlos José Gutiérrez
Ministro de Justicia

Dr. Mario Carvajal H.
Ministro de Exportación e Inversiones

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[Official Translation]

The Government of Costa Rica has studied with great interest the Caribbean Basin Economic Recovery Act (CBERA), passed by the House of Representatives and Senate of the United States of America.

Convinced that our country has complied with the requirements stipulated in said Law, mandatory requirements as well as discretionary ones, the Government expresses its desire that Costa Rica be designated a "beneficiary country" for those purposes and following the procedures that the cited Law establishes. In addition, the Government announces its intention to cooperate with the United States of America in the administration of the requirements of the Law.

Within this framework, the Government of Costa Rica desires to put emphasis on the following points:

(Section 212(B)(1))

Costa Rica is recognized throughout the world as a country with a great democratic tradition. Respect for its democratic institutions and the repudiation of totalitarian-type systems have been fundamental characteristics of our country.

Costa Rica is a nation of laws. Our constitution guarantees to foreigners the same fundamental rights it authorizes to Costa Ricans. This protection is extended to citizens of the United States of America, and to incorporated companies or cooperatives, associations, and foundations in which nationals of the United States participate. The Costa Rican judicial authority enjoys a well-deserved reputation for its honesty and independence.

(Section 212(B)(2))

In order to maintain a favorable environment for investments in its territory by nationals or companies of the United States, Costa Rica provides effective means of asserting claims and enforcing rights with respect to investments, investment agreements, and investment authorizations.

Because it is a nation of laws, Costa Rica respects and has always respected exclusive property rights, among which are intellectual property rights, including patents, duly-registered trademarks and tradenames, and copyrights.

With respect to the J. Royal Parker claim against the GOCR, the Government agrees to continue negotiations in good faith to reach a just settlement or in the event the final determination is made by the Courts, the GOCR will take prompt actions to carry out the decision.

With respect to the case filed by Rohm & Haas Co. in the Supreme Court of Costa Rica challenging the constitutionality of the transitory provision of Law No. 6867 declaring the herbicide propanil to be an article of public utility and therefore freely importable, the GOCR agrees to do the following:

In the event the Supreme Court upholds the constitutionality of the transitory provision, the GOCR believes that Rohm & Haas would have standing to present both administrative and judicial claims against the Government and to the extent the Rohm & Haas propanil patent is declared valid by the Courts, the GOCR believes Rohm & Haas claims would be valid. In the event that the courts rule favorably on such claims, the Government will pay the compensation awarded in the Court decision.

((B)(3))

Further, the Government of Costa Rica has acted, and will continue to act in good faith in recognizing as binding, or in enforcing, arbitral awards in favor of United States citizens or corporations, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute.

((B)(4))

The Government of Costa Rica is neither granting, nor does it intend to grant any developed country preferential duty rates on imports into Costa Rica which have, or are likely to have, a significant adverse effect on U.S. commerce.

((B)(5))

Concerning rebroadcasting by Government owned entities, no entity owned by the Government of Costa Rica is engaged in, or would any such entity engage in, the rebroadcasting of copyrighted materials owned by U.S. citizens without the express consent of the copyright holders.

((B)(6))

Through the mechanism of international conventions and agreements between the police forces of both countries, Costa Rica participates actively in controlling the illegal entry into the United States of narcotics and other controlled substances.

((B)(7))

Since 1922, Costa Rica has maintained in force a Treaty of Extradition which is signed with the United States. Furthermore, on December 4, 1982, the Presidents of both the countries signed, in the city of San Jose, a new Extradition Treaty, which is pending ratification by the respective legislative powers.

The Treaty signed on December 4, 1982, is designed to modernize the extradition procedure of the old Treaty. As a point of departure, the new Treaty abandons the old system of an exhaustive enumeration of the crimes for which the requested State must grant the extradition request, by substituting a more general formula contained in the Second Article, First Clause, which states: "A offense shall be an extraditable offense if it may be punished under the laws of both contracting parties by deprivation of liberty for a maximum period of more than one year or by any greater punishment." With this provision, the old system, which made difficult, sometimes to the extreme, the extradition of certain criminals, came to be reformed. Another important point in the Treaty relates to the quality and precision with which the Treaty regulates both what is contained in the extradition request as well as the documents that must accompany it, making the clear distinction between the extradition application of a person who has not been sentenced and the extradition application of a duly-convicted person.

It is hoped that the entry into force of this new Treaty will facilitate substantially the extradition of those who have fled from the judicial authorities of both countries, which, by virtue of the norms of the old Treaty, had been seen as difficult.

(Section 212(C)(1))

Costa Rica as stated above wishes to be designated as a beneficiary nation under the Caribbean Basin Initiative.

((C))(2))

Costa Rica is passing through an economic crisis which has resulted in a substantial contraction of the income of its citizens. A basic element in the solution to this crisis will be an increase in non-traditional exports outside of Central America. Costa Rica therefore will benefit substantially from the Caribbean Basin Initiative.

((C)(3))

Costa Rica has always been a country respectful of the norms land general principles of international economic law. Within the framework of international commerce, there has existed full adherence to the principles of free trade between countries, to effective commercial reciprocity, to the freedom of transit of factors of production and merchandise and the principle of non-discrimination in commercial matters. The foregoing purposes are dispositions of a constitutional nature that, because of their high place in the judicial hierarchy, form part of the guiding principles of the Costa Rican states.

Costa Rica maintains an open, non-discriminatory trading regime which does not unduly restirct exports of the United States or third countries. It provides equitable and reasonable access to its markets and basic commodity resources.

((C)(4))

Costa Rica is not a signatory of the General Agreement on Tariffs and Trade. Nevertheless, it has always respected the fundamental norms of international trade that the GATT recognizes.

Given the enormous compatibility between the internal legislation of the country and the norms of the GATT, the Government of Costa Rica intends to seek entry to the GATT.

It is worth pointing out that Costa Rica has unilaterally incorporated into its legislation in force the majority of the juridicial principles that GATT contemplates. The political Constitution guarantees equal treatment to foreigners, both in matters of fundamental rights as well as in economic rights. National legislation regulates and punishes the practices of "dumping," protects the principles of customs valuation established in the GATT, and requires the publication and application of commercial regulation that regulate import and export activities. There exists a regime that is developing protection for commercial trademarks and, in general terms, the customs formalities and taxes required for international trade transactions are those that are generally accepted, without coming to the point of converting themselves into non-tariff barriers. Customs legislation, within the context of the Central American Common Market, responds to the concept of a Customs Union, which is accepted by the GATT in its Article XXIV as one of the exceptions to the application of the most favored nation clause.

((C)(5))

The Government of Costa Rica has under review on a continuing basis its fiscal incentives related to exports with the objective of avoiding distortions in its international trade. The Government of Costa Rica agrees to discuss and consult with the U.S. in those cases in which the U.S. believes that any trade promotion practices of the GOCR have a trade-distorting effect. In the interim, the GOCR agrees not to increase the overall level of subsidies. The GOCR will also avoid the use of any performance requirements which would distort trade with the United States.

Currently, Costa Rica uses a system for the promotion of exports and foreign investment. Incentives provide the production and export of non-traditional goods, which require temporary assistance, in order to broaden the country's range of export goods.

With regard to alternative mechanisms of export incentives, the Government of Costa Rica considers that the incentives that should be chosen are those which would permit the creation of a real national structure for exports. The alternative incentives proposed by the Ministry of Export are the following: the simplification of administrative procedures, the rationalization of export levies, the improvement of financial services for the exporter, the improvement in efficiency and reduction in cost of loading and transport services, the adequate training of the national labor force, and the investigation by the State of potential products and markets for export.

The purpose of all proposed incentives is to take advantage of the country's comparative advantage in the production of certain goods, and to guard against artificial reduction in the sale price of exports, which would cause harm to the commercial interest of other countries.

((C)(6))

The Government of Costa Rica will continue to promote the objectives of the Caribbean Basin Initiative by pursuing trade policies with respect to other CBI beneficiary countries which will assist in a revitalization of commerce in the region.

((C)(7))

The Government of Costa Rica is undertaking great efforts to reactivate the national economy. During the past year special emphasis has been placed on the execution of the plan for economic stabilization, which includes the following basic points: normalization of the rate of exchange, moderation of inflation, cleaning up public finance, and reorganizing current financial relations.

The results of the plan are as follows:

The free-market rate of exchange has stopped its continuous fall.

During 1982, the wholesale and retail price indexes performed favorably, in conformance with the plan.

In the field of public finance, efforts are being made to cover the deficit by a tax increase and a reduction in expenditures.

Important advances have been achieved in rationalizing and restructuring of external debt.

The results of the program have been positive and have been recognized as such by various multilateral organizations (IMF, World Bank, Inter-American Development Bank) and the international financial community. Following this turn of events, the Costa Rica economy is immersed in a program of economic reactivation which, without disregarding central elements of the stabilization process, is intended to bring the economic activity of the country to normal levels of growth and well-being.

(1) Public Expenditures:

Growth should be minimal, taking into account the growth planned and achieved by the agricultural and industrial sectors.

Low priority programs should be cancelled or postponed, in order to pursue investments closely related to the recovery, without disregarding the long term effects.

Should ameliorate the impact of the crisis on the sectors most affected.

(2) Taxation:

Unburdening of exports, so that export taxes on non-traditional exports will be eliminated in the fiscal 1984 budget.

Gradual and progressive elimination of exemptions in force and very strict criteria for the concession of new exemptions.

Rapid allocation of resources to the tax authorities to ensure efficient collection of existing taxes.

Elimination, from 1984, of charges on loading services.

(3) Prices of public services:

Procurement of external financing to extend the period of price adjustment in basic public services (water, electricity, fuel) delivered by public sector enterprises.

Not to authorize price adjustments without prior elimination of inefficiency and excess.

(4) Credit and banking:

Integration of credit activity of state banks with programs for stabilization, recovery, and development.

Initiation of institutional reforms responding to criteria of essentiality, simplicity, and economy in fixed expenses (building, machinery and equipment).

Guarantee competitive rates of interest that will stimulate investment and encourage saving in the medium and long term.

Establishment of financing programs to compliment the resources of private business.

(5) Public administration:

Establishment of procedures to simplify and speed up paperwork involved in financial and banking services, export permits, customs services, etc.

(6) Evaluation and followup:

Execution by the GOCR Commission on Exports and Investments of thrice-yearly analyses of the evolution of the plan, based on quantitative indicators and following the execution of planned actions.

Quantitative indicators:

Internal and external inflation;
Exchange rate;
Evolution of agricultural and industrial activity;
Unemployment rate;
Job creation in the private sector;
Exports and imports;
Internal and external rates of interest;
Public expenditure and tax collection;
Price of public services;
Credit program.

Additionally, Costa Rica will pursue the implementation of specialized programs and policies to assure that the nation can derive maximum benefit from the Caribbean Basin Initiative. These will include:

An evaluation of the advantages and disadvantages possessed by Costa Rica in relation to other areas of the Caribbean to determine the country's advantages in its areas of interest.

Coordination of a program of incentives for investment and export, based on the advantages afforded by the CBI.

Identification of the industries and firms of maximum interest to the country, or which could receive maximum benefit from the CBI.

Programs to promote the advantages offered by Costa Rica in comparison to other countries in the Caribbean, oriented toward those industries and firms indentified in the previous point.

Programs to make known at the local level the advantages for Costa Rica of the CBI.

In coordination with MINEX, creation of an Office of Information for the investor needing orientation about everything related to the CBI.

((C)(8))

Costa Rica bases its labor legislation on the existence of a Labor Code which regulates these matters in an integrated form. This Code was promulgated in 1943 and it regulates, among other things, everything relating to the labor contract, to collective conventions, to hours of labor, to salaries and days of rest, that which refers to the protection of the worker during the fulfillment of his functions, to the various organizational possibilities on the part of the workers, to those so-called conflicts of an economic-social character, whether they be strikes or work stoppages, as well as that referring to a specialized jurisdiction of the labor tribunals which have their own judicial and exclusive regulations and procedures relating to labor matters.

On the other hand, there is currently a legislative proposal to reform and modernize, in certain aspects, the cited Code. The existence in Costa Rica of labor legislation with wide protection of the rights of the workers, as well as those of the owners in a just and balanced manner, constitutes one of the basic pillars of Costa Rican democracy.

There exists in Costa Rica as well as another series of additional regulatory mechanisms with a healthy balance in owner-worker relations. For example, the National Salary Board is in charge of making periodic revisions in the salaries in the various areas of work, adjusting them, when necessary, with the purpose that they signify a true and honest compensation for work, on one hand, without being a burden that puts obstacles in the way of productive production, on the other hand.

Apart from the cited Code which, along the lines that have been indicated, covers labor matters in an integrated manner, there exists a series of regulations and guidelines of specific character relating to work conditions, use of work implements and tools, the application and control of which is the responsibility of the Ministry of Labor.

It is worth pointing out that, within the labor legislation, there has been created a special Labor Jurisdiction (judicial machanism) in which owners and workers may, in an expedited manner, make claims for the protection of rights that they have. Along the lines that have been indicated, the procedures and regulations are specialized and characterized by great speed and little formality, with the intention of protecting, above all, the legitimate rights of workers and employers.

((C)(9))

The GOCR agrees to take all steps within its authority to provide under its laws adequate and effective means for foreign nationals to secure, exercise and enforce exclusive rights in intellectal property, includng patents, trademarks and copyrights.

To insure that the laws of Costa Rica provide adequate and effective patent protection in order to stimulate new investment in areas in which Costa Rica has a natural competitive advantage, augmented by the duty-free benefits under the Caribbean Basin Initiative, the GOCR will introduce legislation to amend Article 17 of Law No. 6867 to provide that all patents granted by the Government shall be valid for a term of 12 years.

((C)(10))

The GOCR will ensure that any broadcasting by Costa Rican nationals of U.S. copyrighted material will occur only with the express consent of the copyright owners. The GOCR and the United States will cooperate in arranging negotiations among the appropriate parties in order to reach expeditiously agreements providing such consent.

((C)(11))

The Government of Costa Rica will cooperate fully with the United States in the administration of the provisions of the Caribbean Basin Economic Recovery Act related to the granting of duty-free access to the U.S. market.

The Government of Costa Rica understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. Costa Rica agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the U.S. law. The Government of Costa Rica would be prepared to consult with the USG upon request concerning such changes.

República de Panamá,
Panamá, R. de P., November 14, 1983.

Hon. William I. Brock,
U.S. Trade Representative,
Washington, D.C., United States of America.

Dear Mr. Brock: We have the honor to express our deep satisfaction on the approval of the "Caribbean Basin Economic Recovery Act", following your personal initiative to stimulate the economic development of the countries of this region.

In our opinion, the fundamental reasons for the difficult political situation that confronts the nations of Central America and the Caribbean find their origins in the slow development of the productive activities and in the great economic and social disparities that are a common trait in the region. We do hope that this initiative, transformed into law, will contribute substantially to the solution of our economic and social problems.

We have perused the aforementioned law and, after holding several interesting talks with your personal representatives, and having listened to the points of view of the productive sectors of our country, we are now in the position to inform you that the Republic of Panama is interested in being designated beneficiary country of the aforementioned law. Toward this end, the Minister of Commerce and Industry, will act as Coordinator of the actions to be taken by the Panamanian public sector in relation to this endeavour.

Herewith enclosed is the pertinent information that will permit you to determine Panama's fulfillment of the requirements necessary to be so designated.

We take this opportunity to reiterate the assurances of our highest esteem.

J. Menalco Solis,
Minister of Planning and Economic Development.
Jose M. Cabrera Jovane,
Minister of Foreign Affairs, a.i.

REQUIREMENTS FOR A COUNTRY TO BE A BENEFICIARY UNDER THIS LAW

(1) Panama is not a communist country.

(2) The Panamanian Constitution sets forth that expropriation actions may not take place except for publica or social purpose defined by law, and under special procedures, as contained in Article IV of the Treaty between the Republic of Panama and the United States of America Concerning the Treatment and Protection of Investment.

Said Article provides for "payment of prompt, adequate and effective compensations . . ."

The Government of Panama has accepted these principles as the basis for settlement of all disputes involving nationales and companies of the United States.

(3) The Republic of Panama faithfully complies with the execution of arbitral decisions which may affect any individual regardless of his nationality, as long as the formalities established in our laws are fulfilled.

Within such context and with respect to arbitral decisions in favor of U.S. citizens or companies, the Government of Panama has always acted in good faith in acknowledging the validity and implementation of such arbitral decisions.

(4) The Government of Panama does not confer preferential treatment to products of any developed country, therefore there is no policy that may be considered in detriment of its trade with the United States of America.

(5) No entity owned or controlled by the Government of Panama is engaged or would be engaged in the broadcast of any materials, including film and television materials belonging to a United States copyright holder without their express consent.

(6) Panama has been maintaining a close collaboration with the North American authorities for over fifteen (15) years, with the aim of preventing the illegal entry of narcotics and other controlled substances into United States and other countries.

(7) Panama approved by means of its Law No. 13 of October 30, 1979, the Treaty between the Republic of Panama and the United States of America for the execution of criminal sentences, subscribed in the City of Panama on January 11, 1979.

Panama has also approved the treaty between the U.S., providing Extraditions of Criminals; signed and ratified on the 25 of May of 1904.

FACTORS TAKEN INTO ACCOUNT FOR DESIGNATING A COUNTRY AS BENEFICIARY

(1) This Annex is part and parcel of the petition to be designated beneficiary country.

(2) The economy of Panama, which had a high rate of growth, has been adversely affected during recent years by oil imports and loss of the traditional sources of growth (the substitution of its traditional imports and exports), by the inflation-recession cycle, high interest rates, by the contraction of private investments and tightness of the internal market. In more recent years the adverse conditions of the area which have affected all of Panama's main sources of income, being Panama mainly a service country.

As a result of all this, the rate of growth for the last years has been on the average of 4 percent annually, but it had fluctuations between 1 and 6 percent. The per capita income in our country amounts to B/ 2,055 per year, however, the distribution of wealth is unequal according to different sectors and regions. The unemployment rate is 15 percent in the area of the City of Panama and higher in other areas. The illiteracy rate is of 14.3 percent, child mortality amounts to 21.7 to the thousand, and the country currently runs a deficit on its accounts of B/ 450 millicns a year. The external debt amounts to over B/ 3,000 millions and recently we were able to obtain financing under the supervision and program of the IMF and the World Bank.

(3) The Republic of Panama holds to a free, unrestricted policy for foreign investment within its economy. Treatment of U.S. investments has been clarified in Article II, of the Treaty Concerning the Treatment and Protection of Investments between the two nations.

With regards to international trade, Panama maintains an open, non-discriminatory trading regime which does not unduly restrict trade with the United States. Panamanian policy, which is reflected in the Structural Adjustment Loan Agreement between the Republic of Panama and the World Bank, includes the elimination of quotas and other quantitative restrictions and the establishment of a lower and more uniform level of tariffs. The Government of the Republic of Panama intends to notify the United States Government with regard to these intended changes in its trade regime. The Panamanian Government is not considering new measures aimed at restraining the nation's economy, either due to problems in our balance of payments or to the protection of new industries. The Panamanian Government assures the United States that it will provide equitable and reasonable access to its basic commodity resources.

(4) Although Panama is not a member of GATT, it does follow the accepted guidelines of international trade.

Based on the Government of Panama's intent to seek accessions to the GATT, we are requesting that it be visited by a delegation of the Secretariat of the GATT for the purpose of carrying out the study needed as a previous step to subscribing to the aforementioned agreements.

(5) In order to meet the C.B.R.A. requirements, the Government of Panama agrees to inform the U.S. Government on the modifications of tax policy and actions.

Where fiscal incentives are granted, the Panamanian Government will, in cooperation with the United States Government, review its trade promotion policies and practices with the objective of insuring that these do not distort international trade affecting the U.S. and are consistent with international rules dealing with subsidies. The Government of Panama agrees to enter into discussions with the United States Government if the United States Government believes that any trade practices of the Government of Panama have a trade distorting impact on international trade affecting the U.S. In the interim, as a policy of the Panamanian Government the overall level of its export subsidies will not be expanded. Panama does not and will not impose performance requirements which would distort its trade with the United States.

(6) Our country has subscribed bilateral agreements of free trade with all countries of the Central American area and is at present engaged in negotiations to extend these agreements to the Dominican Republic.

(7) The National Government is at present executing a series of measures seeking to boost the socio-economic development of the country.

Present economic policy emphasizes a greater participation of the private sector, with the fundamental purpose of promoting and diversifying exports. In this respect, the policy covering the agricultural and industrial sectors is being revised, with a view to do away with excessive protectionism, by means of substituting the quota system by declining tariff protection and other complementary and corrective measures that will tend to increase local productivity. Prices of certain agricultural products have been freed. In order to promote foreign investment, the National Investment Council (Consejo Nacional de Inversiones) was created.

As to the public sector, tighter fiscal controls have been established, public spending has been reduced and a greater control is being applied to government owned enterprises; some have been restructured and others are in the process of being sold to private investors.

In support of the above, a document is enclosed showing the Panamanian Government's economic and financial policies included in the existing agreements with the World Bank and the International Monetary Fund.

The Constitution and the Labor Code grant all workers the right to organize and enter into collective negotiations. The workers also enjoy adequate conditions as to the place of work, taking into consideration Panama's economic development.

(9) Adequate legal means do exist to ensure that nationals as well as foreigners can make valid their authorship rights, patents and registered trademarks.

The Government of Panama shall provide adequate and effective protection to copyrights, (as provided by the law and) through implementation measures the Government may deem necessary and appropriate.

(10) Since 1916, Panama has adopted legislation for the protection of copyrighted material. Such laws are presently being revised to bring them up to date and adapt them to current conditions.

Upon request of a concerned party, the Panamanian Government will prevent the broadcasting (including cable transmission) of material belonging to U.S. copyright holders without their express consent having been obtained. This will be accomplished by enforcement of the applicable law or by administrative means within the Government of Panama's authority. If it proves to be necessary, additional authority or legislation will be sought.

Panama is prepared to facilities negotiations between the parties concerned with the purpose of attaining expeditiously agreement with U.S. copyright holders.

(11) Panama will cooperate with the United States in the administration of the Caribbean Basin Recovery Act's provisions.

The Government of the Republic of Panama understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. Panama agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the U.S. law.

The Government of Panama would be prepared to consult with the U.S. Government upon request concerning such changes. For such purpose the Panamanian Government proposes the U.S. Government the establishment of a consulting procedure for the exchange of information on the continued conditions to give way to Panama's qualifications for the Caribbean Basin Economic Recovery Act.

[Official English Translation]

SANTO DOMINGO, THE DOMINICAN REPUBLIC, *November 11, 1983.*

Hon. GEORGE P. SHULTZ,
Secretary of State of the United States of America.

Ambassador WILLIAM E. BROCK,
Trade Representative of the United States of America.

DISTINGUISHED SECRETARY SHULTZ AND DISTINGUISHED AMBASSADOR BROCK: It is my pleasure to submit, through your good offices, the enclosed document for the consideration of your Honorable Government, so that His Excellency, the President of the United States, Mr. Ronald Reagan, will deem it appropriate to designate the Dominican Republic as a beneficiary country of the Caribbean Basin recovery Act.

Enclosed is an official English translation of this document, which has been approved by the Government of the Dominican Republic.

Thanking you in advance for your attention I take this opportunity to express again to you my highest regard.

Sincerely,

Dr. JOSE AUGUSTO VEGA IMBERT,
Secretary of State of Exterior Relations.

[Enclosure to the letter of Nov. 11, 1983 from His Excellency José Augusto Vega Imbert, Secretary of State of Exterior Relations of the Dominican Republic to the Honorable George P. Shultz, Secretary of State of the United States and to Ambassador William E. Brock, United States Trade Representative]

For the following reasons the Government of the Dominican Republic believes that it has satisfied the criteria listed in Section 212(B) of the Caribbean Basin Economic Recovery Act.

(1) In accordance with its Constitution, the Dominican Republic is a country with a republican, democratic and representative civil government.

(2) The Dominican Republic does not have a policy of expropriation, nationalization, or any other form of unilateral possession of property. Dominican law allows nationalizations in the public interest. However, in consequence of the affirmation of property rights in the Constitution, and according to its requirements, nationalization can not legally take place without previous payment of a fair value of the property as determined by an appropriate tribunal. We are not aware of any complaints concerning nationalization involving United States citizens or companies which can be included under the provisions of Section 212(C)(2) of the Act. Nevertheless, the Dominican Government will consider any complaint which might be presented, and, to this end, the Embassy of the United States in our country should inform us at the first opportunity if there are any pending cases.

(3) As for arbitral awards in favor of United States citizens or entities, there are no instances in which our government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards.

(4) The Government of the Dominican Republic does not concede preferential treatment to the products of developed countries to the detriment of its trade with the United States.

(5) No government-owned entity in the Dominican Republic engages or will engage in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent.

(6) The Dominican Republic is one of the countries which, through its police and security forces, cooperates most effectively with the United States in the prevention and prosecution of the crimes related to the illegal traffic of narcotics and other controlled substances. This cooperation will be continued.

(7) An extradition treaty between the United States and the Dominican Republic has existed since 1909 and entered into force on August 2, 1910. It has been applied normally and without inconvenience for both of the contracting parties.

For the following reasons the Government of the Dominican Republic believes that it is observing policies and practices which are in conformity with the designation criteria listed in Section 212(C) of the Caribbean Basin Economic Recovery Act.

(1) The Dominican Republic wants to be designated as a Caribbean Basin Initiative (C.B.I.) beneficiary, and this letter constitutes proof of this desire.

(2) Our country, in view of its economic conditions, the living standards of its people, and other economic and social factors expressed in the principal statistical indicators of various international and national sources recognized by the Government of the United States, is a developing country which needs the benefits of the CBI.

(3) The Dominican Republic maintains an open nondiscriminatory trading regime which does not unduly restrict trade with the United States. Limitations relative to market access for foreign products are not discriminatory against any country, and represent a temporary and limited ban on the importation of certain products due to a severe balance of payments situation. The total value of these bans does not exceed 8 percent of our total imports, and their duration, which was recently extended for four months, was originally one year. When the bans expired in August 1983 and were extended until December, the list of prohibited imports was reduced. The several exclusions were food products. Recently, in view of the persistence of balance of payments problems due to the lack of improvement in the prices of our traditional exports, other measures have been taken. In principle, these will remain in force until 1984. The Government of the Dominican Republic will notify the United States Government on a reciprocal basis with regard to the introduction, intensification, extension, and modification of any trade measure taken in response to balance of payments problems or to protect infant industries. Whenever feasible, the Government of the Dominican Republic will inform the United States Government of a time period for eventual removal of such measures as quickly as economically practicable. The Government of the Dominican Republic agrees to implement such measures with great caution and not to maintain such measures any longer than is necessary. The Dominican Republic also wishes to assure the United

States that it will not restrict equitable and reasonable market access to its basic commodity resources.

(4) The Dominican Republic signed the General Agreement on Tariffs and Trade (GATT) in 1950. Since that date there have been no known instances of violation of GATT regulations.

Also, in respect to the multifiber agreement, our country has signed a bilateral agreement with the United States, the negotiation and implementation of which have been favorable to both sides.

(5) The Government of the Dominican Republic will exercise caution in the development and implementation of policies to promote exports in order to avoid conflict with United States countervailing duty laws, and will continue its efforts to make such measures compatible with these laws.

The Government of the Dominican Republic agrees to consult with the United States, on request, if the United States believes that any trade promotion practice of the Dominican Republican has a trade distorting effect.

The Government of the Dominican Republic, reserving the right to introduce export promotion measures, agrees to avoid the introduction or intensification of measures which could be subject to countervailing duties.

In the view of the Government of the Dominican Republic, there are no mechanisms in the Dominican Republic which can be interpreted as investment performance requirements which distort trade. However, it has been agreed that in the event there should be any future questions in this regard, United States and Dominican representatives will hold conversations to study and evaluate such requirements, with a view toward the elimination of practices agreed to be trade distorting.

(6) The Dominican Government recently sought observer status in CARICOM. However, since unanimous approval is needed, one country, for political reasons, barred this access through which the Dominican Republic had sought to participate in the system of regional integration. Nevertheless, we maintain bilateral trade agreements with the Republic of Haiti and Costa Rica and agreements with the Central Banks of Costa Rica and El Salvador. As a result of the visit of His Excellency Edward Seaga, Prime Minister of Jamaica (September 6–8, 1983), negotiations for a package of agreements on trade, reciprocal credit, tourism, air and maritime transport, and cultural exchange have been initiated. These measures are directed toward the strengthening and revitalization of interregional trade.

(7) The Dominican Government has taken severe austerity measures to confront the very difficult international situation caused by the worst deterioration of its terms of trade in the last fifty years. The Government has reduced the salaries of its employees while increasing their working hours. It has established new taxes while reducing expenditures, and has increased interest rates to make them competitive with international rates. All of this has brought about, in the first year of the government, a substantial reduction in the public sector deficit and in the current account deficit of the balance of payments. With regard to the external sector of the economy, the Dominican authorities reached a three year credit

agreement with the International Monetary Fund to make maximum use of the resources of that institution. Government priorities in promoting development coincide, both in timing and substance, with the new opportunities offered by the CBI, since these priorities seek to accelerate growth of the industrial free zones, tourism, agro-industry, mining, and foreign investment in general, precisely the areas which can best take advantage of CBI benefits. The Government anticipated the passage of the CBI by taking measures to stimulate the free zones, presenting to the National Congress, one year ago, amendments to make the free zone law more dynamic. These amendments are now law. In addition, the government announced a policy of sponsoring new industrial free zones totally owned by the national or foreign investors who would conceive and promote them. The resources of the Central Bank of the Dominican Republic are available for soft loans for the construction of the infrastructure of these new industrial free zones. These resources are equally available to provide soft financing for new factories established in free zones. Tourism, which would benefit from the CBI through the tax treatment of conventions, has been stimulated through a decree which practically eliminates the requirement of presidential approval for acquisition of land in tourism areas by foreigners, and the currency exchange policy has been modified so as to favor foreign tourists, including their purchasing of property in the country. Agro-industry, which will benefit from the CBI through access to the U.S. market, has been stimulated by the agro-industry law and regulations and by the government's declaration of its policy of promoting joint ventures such as have already happened in cases such as pineapples, cotton, and African palms, in which the state is participating either by renting land or as a shareholder.

As for mining, after 12 years a new decree has permitted private industry, foreign or domestic, to request permission to explore and exploit mineral and petroleum resources.

In regard to legal treatment of foreign investment, the Government asked the American Chamber of Commerce to suggest needed amendments to the law. These were converted to a bill sent to the Congress by the President and were approved.

In additon, the President has created, by decree, a Foreign Investment Promotion Commission made up of representatives of both the public and private sectors.

(8) The Dominican working class enjoys satisfactory working conditions. In this respect, we can say that the Dominican Republic maintains a high level in comparison to other countries at the same level of development.

The Government of the Dominican Republic is aware that our labor law can be improved and made to meet requirements which would make it more efficient, and will make the necessary efforts with the Honorable National Congress to speed up consideration of the draft labor laws which have been submitted for this purpose by the Government of National Concentration. These efforts will include insuring the protection of employees from dismissal because of union organizing activities.

It is true, however, that there are some long-standing deficiencies involving Dominican and foreign workers engaged in cutting sugar cane. Nevertheless, it is a recognized fact that, since taking office in August 1982, the present Dominican administration has initiated significant programs to improve work conditions, in all respects, of workers in the sugar industry, among which the following can be listed:

(a) In regard to the importation and use of manual labor from the Republic of Haiti, an annual contract between the State Sugar Council (CEA) and the Government of Haiti was signed, including the following: (1) Selection of the agricultural workers by Haitian authorities. (2) Reception and individual contracting in the frontier city of Jimani in observation of all the legal procedures of immigration and relevant health controls. (3) Transportation in private buses contracted on the agricultural laborers' account, and distribution of the workers to the sugar mills. (4) Provision of free food during the entire process of reception and transportation and during the days previous to the beginning of work on the cane fields. (5) Situation, transportation and repatriation to their homes of all agricultural laborers with all the conveniences and provisions mentioned above, including, in addition, the equal exchange (One D.R. Peso equals One U.S. Dollar) of savings from the wages of said workers and an additonal U.S. Dollars 55 as a gratuity. During the present 1982–83 fiscal year, 18,885 of the 19,000 contracted agricultural workers were repatriated, that is, 99.2 percent—the rest are pending repatriation because of illness or other reasons.

(b) Beginning with the next harvest, officials of the State Sugar Council will take steps, with the agreement of Haitian workers on their arrival at the border, to choose the destination of the workers and thus avoid frequent migrations from one sugar mill to another, which cause serious operating problems.

The National Police Forces, with the establishment of new controls, will see to it that the workers who wish to leave their work in the mills can do so without any impediments, in particular those that may come from private security forces. Such workers may be subject to deportation but they have not been nor will they be forced to remain in the fields.

(c) With the objective of taking concrete steps to improve living conditions in the approximately 250 sugar camps of the CEA, a program of environmental improvement was completed at the end of last year that included 728 new latrines, the painting of some 7,000 houses, the reconstruction of a residential camp and of 26 infirmaries, and the provision of drinking water to some 40 camps. Further improvements will be made during 1984 to provide running water, cooking facilities, latrines, showers, housing and medical care.

(d) Concerning nutrition, food and the increase of buying power of CEA workers, a program of sales of staple commodities at controlled prices has been implemented. In the same way, a program of cultivating basic food products on 23,000 tareas (3574 acres) of CEA land has been initiated. These products are grown and sold at far below market prices.

(e) With the purpose of improving the working conditions and the proteciton of the worker in all his activities, the acquisition of industrial safety equipment values at more than DR Pesos

1,000,000 has been arranged, as well as the purchase of 8 new equipped ambulances worth more than DR Pesos 300,000.

(f) All of the actions mentioned above, undertaken in the brief period of one year, will be strengthened and systematized based upon the results to be obtained from a "Socioeconomic Plan" that is currently being elaborated by a national institution at a cost of DR Pesos 400,000. This Plan includes a diagnosis and detailed program of projects to be undertaken to improve the quality of life of the worker and of all the inhabitants of the sugar camps. In addition, the State Sugar Council has created a department of social affairs which is working hard to improve living conditions in the sugar camps. This department will receive and implement the recommendations of the plan which the previously mentioned organization is preparing.

(g) It should be noted, finally, that these actions programmed and undertaken for the betterment of the socioeconomic conditions of the cane workers have been accompanied by an attitude of openness to dialogue with the representatives of labor and the workers within a climate of high respect and consideration for the human dignity of the worker. In this way, the current management has dedicated all the hours asked by the labor representatives to listen to their petitions and to look for solutions to them within the framework imposed by the tight fiscal constraints of the firm.

In their work, the cane cutters act with complete autonomy of scheduling. They begin their work very early to avoid the hottest hours of the day, stay in the fields to prepare their meals, and later return to work in a cooler time of the afternoon. They are not obliged to stay at their workplace for the entire day.

The provision of the current contract calling for a break during the day and Sunday off is being honored and will be more rigorously enforced by sugar mill supervisors. Since for reasons of efficiency it is desirable to keep the grinding going seven days a week, the contract may be changed to vary the weekly day of rest. The day of rest will be set by mutual agreement of all parties.

Also, it should be pointed out that many Dominican plantations offer extra incentives to the cutters in order to accumulate enough cane over the weekend to ensure continuity of grinding during the first days of the following week, and thus to substitute for the deficit of cut cane arising from the absenteeism which occurs on Mondays. This absenteeism is also experienced when workers accumulate some savings and abandon cane cutting. This and other facts show that no policy of forced labor exists.

The cane cutter is able to earn the minimum wage of DR pesos 3.50 in an eight hour shift during his work day. Statistics of the Dominican sugar companies show that even in the case of the worst cutter, a harvest of at least 1.5 tons per 8 hour shift is attainable, which at a value of DR pesos 2.33 per ton, represents at the very least the minimum wage indicated by law. It is usual for effective cane cutters to be able to cut 2 or 3 tons in each shift. Wages are paid biweekly. Any payments will be withheld only by agreement between an employer and a contracted worker.

Regarding the weighing of cane, the harvest boss is always present during the weighing, and one member of each team of cutters accompanies the cart to the weighing station to oversee the accuracy of the operation. In the next harvest, the government will provide inspectors, helped by worker representatives, who will oversee the cane weighing process.

As for the system of payment, this is being restructured to guarantee a system which is efficient and direct to the worker. Finally, our labor legislation sanctions labor freedom, or the right of workers to form unions, as well as the rights of unions to conclude collective bargaining agreements on working conditions with employers. These rights are also applicable in the industrial free trade zones.

(9) The Government of the Dominican Republic states that in accordance with its laws it provides adequate and effective means for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patents, trademarks, and copyrights. In order to strengthen this protection, the Government of the Domenican Republic additionally declares the following:

(a) The Government of the Dominican Republic will give full assistance to U.S. publishers and their foreign subsidiaries and licensees in bringing criminal actions against persons and entities in the Dominican Republic who are reprinting or copying the publishers' works without permission of such publishers, and causing or contributing to same in accordance with Dominican law and the Universal Copyright Convention (UCC) done at Paris July 24, 1971. The Government of the Dominican Republic believes that the current Dominican copyright statute, the Convention on Literary and Artistic Copyrights signed at Buenos Aires August 11, 1910, and the UCC currently give United States publishers standing and right to successfully (upon proof of piracy) bring criminal actions against such reprinting or copying of books authored by nationals of, or first published in, UCC countries whether or not the books and publisher' contracts have been registered, and including books first published before the date of accession to the UCC by the Dominican Republic. The Government of the Dominican Republic will support pretrial seizure of pirated books and plates based on a complaint filed with the Attorney General or other competent prosecuting authority. Also, the Government of the Dominican Republic believes that in accordance with the UCC, no bonding or other procedural conditions should be imposed on foreign copyright holders which are not equally applicable to Dominican nationals, or which hinder prompt and fair prosecution.

(b) The Government of the Dominican Republic states that, in order to fulfill Article I of the UCC, it plans to introduce in the next legislative session a copyright bill which is currently being drafted and will support the passage of the bill in the Congress. Said bill will make book piracy unlawful and subject to both civil and criminal prosecution. The draft law will include the protections specified in the preceding paragraph and provide severe monetary and penal sanctions, as well as provisions allowing the judge to restrain the continuation of piracy during the trial. The draft law will not require any arbitration or conciliation proceeding before prompt and full prosecution.

(c) The Government of the Dominican Republic is taking measures to prevent the export of copies of pirated works.

(d) The Government of the Dominican Republic, upon request of the United States and without prejudice to enforcement procedures mentioned above, will promptly provide information concerning reports of piracy.

(10) It is the policy of the Government of the Dominican Republic to support strongly the United States owners of copyrighted materials in protecting against broadcast of such materials by stations in the Dominican Republic without the owners' express consent. The Government of the Dominican Republic already has undertaken actions with the aim of ensuring that Dominican broadcasters obtain permission of the copyright owners for use of their copyrighted materials. For example, the Government of the Dominican Republic is cooperating with the United States Government in arranging negotiations among the appropriate parties in order to expeditiously reach agreements providing such consent. The Government of the Dominican Republic has already held discussions with Dominican cable TV companies, which have expressed their willingness to negotiate agreements. Meetings between the latter and representatives of the United States Government were also arranged by the Government of the Dominican Republic and the process of negotiations is being expedited. In the event that there are complaints that Dominican firms are broadcasting without having obtained the necessary consent of the United States copyright holders the Government of the Dominican Republic will act to ensure compliance and if the compliance does not occur, the Government of the Dominican Republic will exercise its authority under the Dominican Constitution and legal system to see to it that such broadcasting does not continue.

(11) The Dominican Republic is prepared to cooperate fully with the United States in the implementation of the Caribbean Basin Economic Recovery Act.

The Government of the Dominican Republic understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. The Dominican Republic agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the United States law. The Government of the Dominican Republic would be prepared to consult with the United States Government upon request concerning such changes.

MINISTRY OF FOREIGN AFFAIRS,
Saint Lucia, West Indies, November 10, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the United States Trade Representative, Washington, D.C.

DEAR AMBASSADOR, My Government understands that after reviewing my letter of October 5, 1983, the Government of the United States has a number of questions regarding the fulfillment of certain designation criterion of the Caribbean Basin Economic Recovery Act by Saint Lucia. We wish to make the following additions to our previous letter in the hope of clarifying those issues.

Section 212B(1) addition: Saint Lucia is a Parliamentary Democracy.

Section 212B(2) addition: Intellectual property of any type, including property protected by parents and trademarks, is accorded the same protection against expropriation provided under the constitution for other types of property. There are no disputes involving United States citizens and the Government of Saint Lucia arising out of the nationalization of property.

Section 212B(3) addition: There are no instances in which our government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards in favor of United States citizens or companies.

Section 212C(5) addition: The Government of Saint Lucia will keep under review its fiscal incentives related to exports, with the objective of avoiding distortions in its international trade. The Government of Saint Lucia agrees to consult with the United States Government if the United States believes that any trade promotion practices of the Government of Saint Lucia have a trade-distorting effect. The Government of Saint Lucia will also avoid the use of any performance requirements which would distort trade with the United States.

Section 212C(10) addition: Saint Lucia will use its best endeavours to ensure that any broadcasting by Saint Lucia nationals of copyrighted material will occur only with the express consent of the copyright owners. Saint Lucia will cooperate with the government of the appropriate parties with the objective of expeditiously reaching agreements providing such consent under the laws of Saint Lucia.

We also request that the following paragraph be added to our letter:

The Government of Saint Lucia understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. Antigua agrees to notify the United States in the event of changes in any of the policies or practices discussed above might prove to be inconsistent with any of the designation criteria of the United States law. The Government of Saint Lucia would be prepared to consult with the United States Government upon request concerning such changes.

Yours sincerely,

JOHN G. M. COMPTON,
Prime Minister.

MINISTRY OF FOREIGN AFFAIRS,
Saint Lucia, West Indies, October 5, 1983.

Hon. WILLIAM E. BROCK,
U.S. Trade Representative, Office of the U.S. Trade Representative, Washington, D.C.

DEAR MR. BROCK, I would like to express my pleasure at the passage of the Caribbean Basin Economic Recovery Act. Saint Lucia wishes to be designated as a beneficiary under the Act. As requested, the following letter discusses the criterion for designation as a beneficiary laid down in the Act as they apply to Saint Lucia.

Saint Lucia has not expropriated or otherwise seized assets belonging to a United States citizen or corporation. In any case of expropriation or nationalization, the private party, whether United States or not, would be protected by the laws of Saint Lucia. These laws provide that expropriation only be undertaken for a public purpose and provide legal protection and compensation. The Constitution of Saint Lucia does not allow seizure without adequate compensation. The relevant section of the Saint Lucia Constitution Order 1978 is Section 6 sub-sections one to eight.

Saint Lucia does not provide preferential treatment to the products of any developed country. Furthermore, it is the policy of Saint Lucia not to enter into any agreement which would require it to do so.

No entity owned by the Government of Saint Lucia is engaged in the re-broadcast of copyrighted material belonging to the United States copyright holders without their express consent. Moreover, it is our intent in the future not to do so.

The Government of Saint Lucia fully shares the concern of the Government of the United States on the serious problem of narcotics. We have in the past co-operated fully with the United States in attempting to deal with this threat to the well-being of the citizens of both countries. The United States has provided Saint Lucia with training in the prevention of drug trafficking and we are particularly pleased with this assistance. We expect to continue such co-operation in the future. This has enabled us to better combat this problem domestically, and to contribute to international narcotics control efforts. We look forward to continued co-operation and assistance.

Saint Lucia is a party to the United States/United Kingdom Extradition Treaty of 1972 and fully enforces its provisions.

Saint Lucia, while not a signatory of the General Agreement on Tariffs and Trade, applies the agreements rules and principles de facto. We are seriously studying the possibility of becoming a signatory to the agreement. In line with this commitment to the agreement, Saint Lucia subscribes to the "most favored nation" principle, with the permitted exception relating to Caricom. We further subscribe to the principle of notification and consultation. In general, we seek to limit protective measures to tariffs. However, to protect certain infant industries Saint Lucia does have an import licensing scheme in effect for certain commodities. GATT has notified of this exception.

Saint Lucia, with the exception of preferences to other Caricom members, provides non-discriminatory access to its markets to all countries. Foreign investment is encouraged and sought. Trade in services is also relatively open.

Saint Lucia provides no export subsidies and imposes no export performance requirements or local content requirements on foreign or dometically-owned manufacturers. Certain levels of local value-added tax are required in order for an exporter to qualify for certain tax incentives.

Saint Lucia is a full member of the Caribbean Community and supports its aims and objectives. We believe that the success of Caricom is promoting the economic development of its members contributes to the revitalization of the wider region.

In order to make the economy of Saint Lucia more efficient and open the Government has instituted a number of measures to promote the development of the private sector. These measures include Fiscal Incentives to Industry as outlined in the Fiscal Incentives Act No. 15 of 1974 and the Hotel Aids Ordinance 1959. The Government of Saint Lucia established the Saint Lucia Development Bank to finance hotels, the manufacturing industry, manpower training etc. These measures have been taken to promote domestic and foreign investment and to create a positive business environment.

The workers' right to organise and bargain collectively is fully protected in Saint Lucia by both custom and statute. See the Trade Disputes (Arbitration Inquiry) Ordinance of 1967 and the Trade Union and Trade Disputes Ordinance of Saint Lucia.

The laws of Saint Lucia as evidenced by the English Copyright Act of 1956 which continues to be in force protects copyrights. The laws of Saint Lucia relating to patents and trade-marks can be found in the Commercial Code of Saint Lucia Volume five (5) Chapter 244. These laws outline the procedures for applying for registration of patents and trade-marks and the process for resolution of disputes etc. The average length of time for a patent or a trademark is three weeks. The period of three weeks is required to notify the public of the applicants intention to register the patent or trade-mark.

The Government of Saint Lucia is fully prepared to co-operate with all reasonable procedures aimed at maintaining the integrity of the Caribbean Basin Recovery Act Trade Provisions. This would include, but not be limited to appropriate certification procedures, monitoring compliance, and provision of information.

Yours sincerely,

JOHN G. M. COMPTON,
Prime Minister.

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